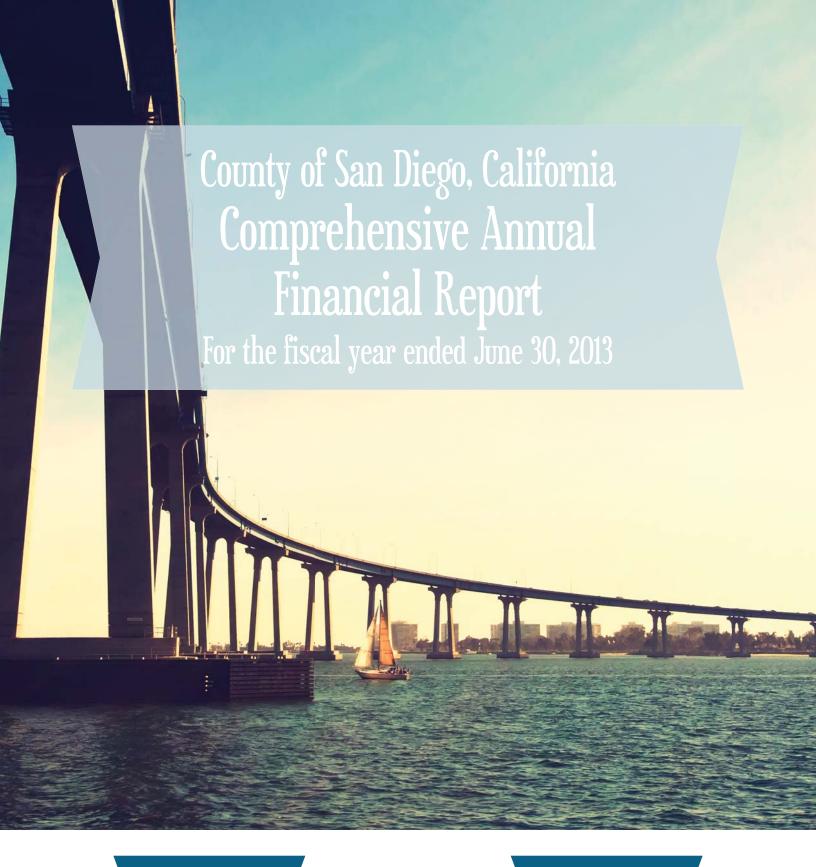


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Donald F. Stever Assistant CAO / Chief Operating Officer

Compiled under the direction of

Tracy M. Sandoval
Deputy CAO /
Auditor & Controller

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County of San Diego

FINANCE & GENERAL GOVERNMENT GROUP

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ASSESSOR/RECORDER/COUNTY CLERK AUDITOR AND CONTROLLER CHIEF ADMINISTRATIVE OFFICE CIVIL SERVICE COMMISSION CLERK OF THE BOARD COUNTY COMMUNICATIONS OFFICE COUNTY COUNSEL COUNTY TECHNOLOGY OFFICE GRAND JURY HUMAN RESOURCES RETIREMENT ASSOCIATION TREASURER-TAX COLLECTOR

November 15, 2013

TRACY M. SANDOVAL

GENERAL MANAGER/

AUDITOR & CONTROLLER

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To the honorable members of the Board of Supervisors and the Citizens of San Diego County:

The Comprehensive Annual Financial Report (CAFR) of the County of San Diego (County) for the fiscal year ended June 30, 2013, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework it established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Macias Gini & O'Connell LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the County of San Diego's financial statements for the year ended June 30, 2013. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and the financial statements. analysis complements this letter of transmittal and should be read in conjunction with it.

County Profile

San Diego County is the southernmost major metropolitan area in the State of California and covers

4,261 square miles, extending 75 miles along the Pacific Coast from Mexico to Orange County, and inland 75 miles to Imperial County along the international border shared with Mexico. Riverside and Orange counties form the northern boundary. The County enjoys a wide variety of climate and terrain, from coastal plains and fertile inland valleys to mountain ranges and the Anza-Borrego Desert in the east. The Cleveland National Forest occupies much of the interior portion of the County. The climate is equable in the coastal and valley regions where most of the population and resources are located. The average annual rainfall in the coastal areas is 10 inches, so the County is highly dependent on imported water.

In March 2011, the U.S. Census Bureau estimated the County's population for 2010 to be 3,095,313, an increase of 10.0% from the 2000 figure of 2,813,833. The State of California Department of Finance released population data incorporating the 2010 Census counts as the benchmark showing the County's revised population estimate for January 1, 2012 was 3,128,734 and the County's population estimated for January 1, 2013 was 3,150,178. San Diego is the second largest county by population in California and the fifth largest county by population in the nation, as measured by the U.S. Census Bureau. There are 18 incorporated cities in the County; of them, the City of San Diego is the largest, with a population of approximately 1,321,315; and Del Mar is the smallest, with a population of approximately 4,194.

The racial and ethnic composition of the County is as diverse as its geography. The regional population for 2030 is forecasted to be 3.9 million according to the San Diego Association of Governments' (SANDAG's) 2050 Regional Growth Forecast final series as of October 2011. SANDAG projects that in 2030 San Diego's population breakdown will be 41.9% White, 37.0% Hispanic, 11.4% Asian and Pacific Islander, 5.4% African American, and 4.3% all other groups. A significant growth in the Hispanic population is seen in this projection.

County Government, Economy and Outlook

County Government

San Diego became one of California's original 27 counties on February 18, 1850, shortly after California became the 31st State in the Union. The County functions under a charter adopted in 1933, as subsequently amended from time to time. A fivemember Board of Supervisors elected to four-year terms in district, nonpartisan elections governs the County. Each board member is limited to no more than two terms and must reside in the district from which he or she is elected.

The Board of Supervisors sets priorities for the County and oversees most County departments and programs budgets. Per California and approves their Government Code Section 23005, the County may exercise its powers only through the Board of Supervisors or through agents and officers acting under the authority of the Board or authority conferred by law. The Board of Supervisors appoints the following officers: the Chief Administrative Officer (CAO), the County Counsel, the Probation Officer and the Clerk of the Board of Supervisors. The Chief Administrative Officer appoints the Assistant CAO/Chief Operating Officer, the Auditor and Controller and all other appointive officers. The CAO assists the Board of Supervisors in coordinating the function and operations of the County; is responsible for carrying out all of the Board's policy decisions that pertain to the functions assigned to that officer; and supervises the expenditures of all departments. Elected officials head the offices of the Assessor/ Recorder/ County Clerk, District Attorney, Sheriff and Treasurer-Tax Collector.

The State Legislature has granted each county the power necessary to provide for the health and wellbeing of its residents. The County provides a full range of public services to residents, including law enforcement, detention and correction, emergency response services, health and sanitation, parks and recreation, libraries and roads. The County also serves as a delivery channel for many State services, such as foster care, public health care and elections. These services are provided by five business Groups (Public Safety, the Health and Human Services Agency, Land Use and Environment, Community Services and Finance and General Government), each headed by a General Manager who reports to the CAO.

Economy and Outlook

The 2007-2009 recession and the sluggish growth thereafter have caused the US economy to continue to perform at a level below that which existed prior to the recession. In 2012, real gross domestic product (GDP) increased by 2.8% compared to a 1.8% increase for 2011. According to the United States Department of Commerce Bureau of Economic Analysis (BEA), the acceleration in real GDP in 2012 primarily reflected a deceleration in imports, upturns in residential fixed investment and in private inventory investment, and smaller decreases in state and local government spending and in federal government spending that were partly offset by decelerations in personal consumption expenditures (PCE) and in exports. For the second quarter of 2013, the U.S. economy increased at an annual rate of 2.5% compared to an increase of 1.1% in the first quarter of 2013. The increase in real GDP in the second quarter primarily reflected positive contributions from PCE. nonresidential fixed investment, private inventory investment, and residential investment that were partly offset by negative contributions from federal government spending. Imports, which are a subtraction in the calculation of GDP, increased.

It should be noted that in July 2013, the BEA issued a comprehensive revision of GDP figures for 1929 through the first quarter 2013. Revisions included a change in the reference year from 2005 to 2009, current-dollar GDP revised up for all years, and 2012 revised up from 2.2 percent to 2.8 percent.

Minutes from the Federal Open Market Committee meeting on July 30 and 31, 2013, indicated that economic activity expanded at a modest pace during the first half of the year. Tighter federal fiscal policy, including cuts in government purchases and grants,

restrained economic activity. While the Revised GDP numbers in the first half of 2013 are lower than expected and lower than the 2012 annual rate, the Committee expects that real GDP will accelerate in the second half of the year and continue to strengthen in 2014 and 2015. However, state and local government purchases and construction expenditures continued to decrease and uncertainty remains about the effects of the federal spending sequestration.

In the first half of 2013, conditions in the housing market continued to improve, as indicated by increases in home prices, low inventories of homes for sale, and strong demand for construction. Nationally, sales of both new and existing homes increased in May and June. Consumer price inflation slowed markedly and measures of longer-term inflation expectations remained stable. Unemployment was 7.6% nationally in June, with little overall change in the unemployment rate or gross private-sector hiring from the prior few months. Manufacturing production expanded in June, led by auto production with sales near pre-recession levels. Broader indicators were generally consistent with further modest gains in factory output in the near term. Household spending has been more positive in the third quarter of 2013, in part due to equity value in home prices.

According to Moody's Analytics, economic data show the U.S. economy moving in the right direction, with employment reports pointing to a recovering labor market, housing prices heading higher and GDP surprises to the upside. Increased housing demand and high sales are expected in the coming months, with incomes rising and homebuyer confidence on the upswing (Source: Moody's Analytics: U.S. Chartbook: Upward momentum, August 5, 2013).

However, the UCLA Anderson Forecast warns that the current recovery is not the high-growth recovery period that typically follows a recession, or at the levels needed to regain a normal longer term 3% growth trend. To get back to the previous growth trend, GDP would need to exceed 3% for an extended period of time. GDP is growing, but not growing rapidly enough to produce the additional jobs and governmental revenues needed for a high-growth recovery (Source: UCLA Anderson Forecast, June 2013).

Having suffered a deeper recession than that of the nation, California has faced a longer road to full recovery. California's Gross State Product (GSP) fell more steeply than U.S. GDP during the recession, but

outpaced the nation as a whole over each of the last two years. Since mid-2012, California has also outpaced the nation in year-over-year job growth. Over the next two years, California's overall economy should outpace the U.S., with a growth rate of about three percent this year, accelerating to just under four percent next year (Source: Los Angeles County Economic Development Corporation - The Kyser Center for Economic Research: 2013-2014 Economic Forecast and Industry Outlook, February 2013 and Mid-Year Forecast, July 2013). The State unemployment rate continued to improve and fell modestly from a revised 11.8% in 2011 to 10.5% in 2012. The July 2013 unemployment rate showed continued improvement to 8.9%. Comparing July 2012 to July 2013, nonfarm payroll employment in California increased by 236,400, a 1.6% increase. Four categories (mining and logging; manufacturing; other services; and government) reported job declines (Source: California Employment Development Department, News Release, August 16, 2013).

In the first five months of 2013, Aerospace and Technology employment added 34,700 iobs. Agriculture jobs remained relatively unchanged from a year earlier. International trade continues to play an important role in the State's economy. California ranks as the second largest exporting State in the country, with imports outweighing exports by a two-to-one margin. Tourism and hospitality jobs increased as all of the major California metropolitan areas experienced gains in both occupancy rates and average daily rates. Construction activity and employment have both experienced noteworthy gains in 2013 after struggling for several years. New home permits are expected to show gains of 37.5% in 2013 from weak 2012 levels (Source: Los Angeles County Economic Development Corporation, The Kyser Center for Economic Research: 2013-2014 Mid-Year Economic Forecast and Industry Outlook, July 2013).

In 2009, real personal income declined 5.9%, but since that time real personal income grew by 1.6% in 2010, 3.1% in 2011 and 1.9% in 2012. Taxable sales declined 14.3% in 2009, grew by 2.9% in 2010, by 6.9% in 2011 and are estimated to grow by 4.9% in 2012 (final taxable sales figures will not be available until early 2014). California's economy continues to recover from the steep recession. Nonfarm employment grew by 1.2% in 2011, by 2.1% in 2012 and is projected to grow by 2.0% in 2013 and 2.0% in 2014. In 2013, real personal

income is expected to grow by 2.3% and improve further in 2014 by 3.5%. Taxable sales are predicted to increase by 0.3% in 2013 and 1.9% in 2014 (Source: UCLA Anderson Forecast, June 2013).

San Diego certainly shared the pain of the recession along with the rest of Southern California. However, San Diego's economy is moving in the right direction. Job creation in San Diego will occur in 2013 across all private industry sectors (Source: Los Angeles County Economic Development Corporation, The Kyser Center for Economic Research: 2013-2014 Economic Forecast and Industry Outlook, July 2013). Federal defense budget cuts are a cause for concern for San Diego's defense and military sectors. The loss of government jobs is expected to continue this year and next. Unemployment in the San Diego region to improve. Preliminary July unemployment figures indicated a rate of 7.8%, compared to a rate of 9.5% in July 2012. As of July 2013, San Diego County's unemployment level is near the U.S. national average of 7.6% and continues to compare favorably to other Southern California counties, with only Orange County experiencing lower unemployment. For the first seven months of 2013, the average unemployment rate for San Diego County was 7.6% compared to an average rate of 8.5% for the 10 largest counties in California (Source: California Employment Development Department). San Diego County is forecasted to post an average annual unemployment rate of 6.5% for 2013 and 6.2% in 2014 (Source: Los Angeles County Economic Development Corporation, The Kyser Center for Economic Research: 2013-2014 Economic Forecast and Industry Outlook, July 2013).

Another indicator of economic health is county taxable sales. Taxable sales began to decline overall in the county in 2007 and that trend continued in 2008 and 2009. In 2010, taxable sales showed moderate growth which continued in 2011. Sales tax revenues for the region in 2012 have shown continued improvement. Growth in taxable sales is expected to continue in 2013 and 2014.

The state of the economy plays a significant role in the County's ability to provide core services and the mix of other services sought by the public. The real estate market slump has impacted the County's general purpose revenue (GPR), although GPR is expected to increase marginally in fiscal year 2014 from fiscal year 2013. General purpose revenue is relied upon to fund local services where no other funding is available, as well as to fund the County's share of costs for services that are provided in partnership with the State and federal government. The County is continuing to adjust to new roles and responsibilities in the areas of health, public safety, and redevelopment.

County management continues to evaluate and respond to the changing economic environment and its impact on the cost and the demand for County services. Specific actions are detailed in the fiscal year 2013 Adopted Operational Plan which can be accessed at http://www.sdcounty.ca.gov/auditor/ opplan/adoptedlist.html.

County's Economic Base

The County's economic base consists of a significant manufacturing presence (e.g. energy storage, cybersecurity, and clean tech), a large tourist industry attracted by the favorable climate of the region, a considerable defense-related presence, and the region is a thriving hub for biotech and telecommunications industries. Highlights of County employment as of July 2013 are listed below:

- Non-agricultural, industry employment totaled 1,276,800 jobs. This represents a gain of 22,100 jobs from the unadjusted July 2011 employment figures.
- services industry, including information, professional and business services, education and health services, leisure and hospitality, and other services, constitutes the largest employment sector and accounted for approximately 49.0% of nonagricultural employment, with a total of 625,100 employed.
- The wholesale and retail trade industries were the second largest non-government sector, comprising 14.17% approximately of non-agricultural employment totaling 180,900 jobs.
- Government accounted for approximately 17.1% of non-agricultural employment (218,200). San Diego's military presence contributes to this significant component.
- Manufacturing accounted for an additional 7.2% of non-agricultural employment (91,700), down 900 jobs from the unadjusted employment figures for July 2012.
- The construction sector is greatly influenced by the general health of the economy, and in particular, population and housing growth. Construction employment, which accounted for 4.7% of total

non-agricultural employment or 60,200 jobs, was up 1,800 from the unadjusted July 2012 employment figures.

- The financial sector, including finance, insurance, real estate, and related employment, represents 5.6% of non-agriculture employment (71,500). Financial activities experienced an increase of 1,900 jobs from the unadjusted employment figures for July 2012.
- Transportation, Warehousing and Public Utilities accounts for 2.3% of non-agricultural employment (28,800).
- Agriculture (10,000) and mining (400) accounted for approximately 0.7% of total employment (1,490,100).
- Self-employed, household domestic workers and miscellaneous other categories not captured in industry employment represents approximately 13.6% or 203,300 of total employment. This category experienced an increase of 1,700 jobs from the unadjusted employment figures for July 2012.
- The San Diego County region experienced a net job gain of 24,400 from the July 2012 unadjusted employment figure of 1,465,700 (representing civilian labor force data by place of residence including self-employed, household domestic workers, unpaid family workers and workers on strike) to the July 2013 level of 1,490,100. This compares to an increase of 53,600 jobs the previous year. The County has been in the midst of significant volatility. San Diego's index of leading economic indicators has trended higher since April 2009. More current indicators show that the economy continued to gradually improve during 2013.

County revenues that are affected by the state of the local economy include property taxes, sales taxes, and charges for services. Key factors impacting these revenues include real estate activity and consumer spending which are in turn greatly influenced by interest rates and employment levels. Short and long-term interest rates are low by historical standards. Overall, there seems to be a general view that the pace of economic recovery at the national, state and local levels will continue to be gradual.

An unintended consequence of the housing market's turmoil and past recession has been the improvement in housing affordability during this period. However, with the recent rebound in home prices, the percentage of home buyers who could afford to

purchase a median-priced, existing single-family home in San Diego dropped to 32% in the second quarter of 2013, from 44% in second quarter of 2012. (Source: California Association of Realtors affordability index). The rate of first-time buyers in March 2013 was 57% compared to 67% in December 2011. Despite these decreases, the percentage of households that can afford to buy an entry-level home in San Diego is still up significantly from 27% in December 2006. The median home price of existing homes sold also fluctuated with the housing related turmoil. During 2009 and 2010, median home sales started to rebound from the low experienced at the end of 2008 and early 2009. Median home prices declined marginally in 2011 but are showing significant improvement in June 2013 compared to June 2012.

Sources: State of California Department of Finance, U.S. Census Bureau, U.S. Department of Commerce Bureau of Economic Analysis, San Diego Association of Governments (SANDAG) - San Diego's Regional Planning Agency, the State of California Employment Development Department, and the California Association of Realtors.

General Management System

The County's General Management System (GMS) is the framework that guides the management of County operations and service delivery to residents, businesses and visitors. The GMS identifies how the County sets goals, prioritizes the use of resources, evaluates performance, ensures cooperation and recognizes accomplishments in a structured, coordinated way. By developing and adhering to a written operations manual, the County of San Diego is able to create and maintain an organizational culture that values efficiency, innovation, and fiscal discipline and that provides focused, meaningful public services that improve lives and benefit the community.

At the heart of the GMS are five overlapping components which ensure that the County asks and answers crucial questions:

Strategic Planning asks: Where do we want to go? The Strategic Plan looks ahead five years to anticipate significant needs, challenges, risks and opportunities that are likely to develop and sets goals for the future. Long-range strategic planning activities require us to assess where the County is and where it wants to be.

Operational Planning asks: How do we get there from here? Operational Planning allocates resources over

the next two fiscal years to specific programs and services that support the County's long-term goals as articulated in the Strategic Plan. This includes adoption of an annual budget and approval in principle of a second year spending plan.

Monitoring and Control asks: How is our performance? Monitoring and Control shows whether the County is on track to achieve its goals. The County evaluates its progress frequently, including structured monthly, quarterly, and annual reviews so that necessary adjustments may be made without delay.

Functional Threading asks: Are we working together? Although the County is divided into groups, departments and divisions for operational purposes, the County has many critical functions and goals that cross these organizational lines. Functional threading ensures that information and resources coordinated and shared throughout the organization to achieve common goals, solve problems and maximize efficiency.

Motivation, Rewards and Recognition asks: Are we encouraging excellence? County employees must embrace the GMS disciplines and understand how this system guides the success of County operations and contributes to their success on the job. To encourage excellence, managers must set clear expectations, provide incentives, evaluate performance, and reward those who meet or exceed goals. And County employees meet the challenge by becoming Knowledge Workers who are comfortable with changing technology and who prepare themselves and their departments for changes expected in the future.

The five GMS components form an annual cycle that is renewed each fiscal year with review of the Strategic Plan and development of a new Operational Plan.

Strategic and Operational Planning (Budgetary) Process

As noted above, a five-year Strategic Plan is updated annually to provide long-term direction to County managers and staff. The Strategic Plan is developed by the Chief Administrative Officer and the County Executive Team, based on the policies and priorities set by the Board of Supervisors and an enterprise-wide review of the issues, risks and opportunities facing the region and the County organization. All County programs support at least one of the following three

Strategic Initiatives:

- Safe Communities Promote safe communities,
- **Sustainable Environments** Support environments that foster viable, livable communities while bolstering economic growth, and
- Healthy Families Make it easier for residents to lead healthy lives while improving opportunities for children and adults.

Each fiscal year, a two-year Operational Plan is prepared and details each department's strategic objectives and the resources required to achieve them. The Operational Plan is monitored regularly and is linked to the GMS system of rewards and recognition. Pursuant to Government Code 29000 et seq., State law allows the Board of Supervisors to formally adopt only the first year of the Operational Plan as the County's budget. State law permits modifications to the adopted budget during the year with approval by the Board of Supervisors, or in certain instances, by the Deputy Chief Administrative Officer/Auditor and Controller. The Chief Administrative Officer reviews the status of the County's performance against the budget in a quarterly status report to the Board of Supervisors.

Financial (Budgetary) Policies

Government Code (GC) Sections 29000 through 29144 provide the statutory requirements pertaining to the form and content of the County's Budget. Government Code Section 29009 requires a balanced budget in the proposed and final budgets, defined as "funding sources shall equal the financing uses".

County Charter Section 703 establishes the Chief Administrative Officer as responsible for all Group/ Agencies and their departments (except departments with elected officials as department heads) and for supervising the expenditures of all departments and reporting to the Board of Supervisors on whether specific expenditures are necessary.

County Administrative Code Article VII establishes the components and timeline for the budget process and establishes the Chief Administrative Officer as responsible for budget estimates and submitting recommendations to the Board of Supervisors.

The County has the following financial policies that serve as guidelines for the budget process:

Board of Supervisors Policies

A-136 Use of County of San Diego General Management System for Administration of County Operations: Establishes the General Management System (GMS) as the formal guide for the administration of County departments, programs and services, and ensures that all County departments and offices operate in compliance with the GMS.

B-29 Fees, Grants, Revenue Contracts – Department Responsibility for Cost Recovery: Provides a methodology and procedure to encourage County departments to recover full cost for services whenever possible.

B-71 Fund Balance and Reserves: Establishes guidelines regarding the use of fund balance and the maintenance of reserves in order to protect the fiscal health and stability of the County. Expenditures for services are subject to fluctuations in demand and revenues are influenced by changes in the economy and by State and federal regulations. This policy ensures the County is prepared for unforeseen events by establishing and maintaining prudent levels of fund balance and reserves.

M-13 Legislative Policy: State-Mandated Local Program Costs: Calls on the State and Federal Legislature to encourage equitable reimbursement of mandated local program costs.

Administrative Manual

0030-01 Procedure for Fees, Grants and Revenue Contracts for Services Provided to Agencies or Individuals Outside the County of San Diego Organization: Establishes a procedure within the framework of Board of Supervisors Policy B-29, to serve as guidance in the process of recovering full costs for services provided to agencies or individuals outside the County of San Diego organization under grants or contracts or for which fees may be charged.

0030-06 State Mandated Cost Recovery: Establishes guidelines to attempt full recovery of all State mandated costs resulting from chaptered legislation and executive orders.

0030-14 Use of One-Time Revenues: One-time revenue will be appropriated only for one-time expenditures such as capital projects or equipment, not to ongoing programs.

0030-22 Revenue Management – Auditor and

Controller Responsibilities: The Auditor and Controller is responsible for reviewing and evaluating revenues from all sources in order to maximize these revenues within legal provisions and to institute internal controls and systems to be used by departments to estimate, claim, and collect revenues.

Strategic Initiatives and Achievements

The County of San Diego continually looks to improve by streamlining operations, leveraging technology, maximizing efficiency and expanding the public services and information available online and through social media, among many other innovations. The County remains dedicated to maintaining its standing as a best practices organization, offering programs that improve the lives of residents in ways that are relevant and measurable.

During Fiscal Year 2012-13, all County programs supported at least one of the three Strategic Initiatives of the County of San Diego's Fiscal Years 2012-17 Strategic Plan.

- Safe Communities Promote safe and liveable communities,
- Sustainable Environments Support environments that foster viable, livable communities while bolstering economic growth, and
- Healthy Families Make it easier for residents to lead healthy lives while improving opportunities for children and adults.

The Strategic Plan also commits the organization to adhere to eight key internal organizational disciplines that are necessary to maintain a high level of operational excellence and accomplish the Strategic Initiatives. These Required Disciplines for Excellence are:

- Fiscal Stability Maintain fiscal stability to ensure services that customers rely on, in good times and in bad.
- **Customer Satisfaction** Ensure customers are provided with superior services.
- Regional Leadership As a regional leader, the County forges cooperative partnerships and leverages additional resources for residents.
- Skilled, Adaptable and Diverse Workforce –
 Develop a committed, skilled, adaptable and
 diverse workforce that turns plans and resources in
 to achievement and success.
- **Essential Infrastructure** Provide the essential infrastructure to ensure superior service delivery to our residents.

- Accountability, Transparency & Ethical Conduct Ensure accountability to ourselves and the public by requiring that County business be conducted as openly as possible, resulting in the efficient and ethical use of public funds.
- Continuous Improvement and Innovation Achieve operational efficiency through continuous efforts to improve and innovate, thereby maximizing value for taxpayers.
- Information Services The County of San Diego will be the center of Information Services innovation for advancing the delivery of County services, anytime and anywhere.

Within the structure of the two-year operational planning process, the County plans for and attains interim progress toward achievement of the Strategic Initiatives. Some of the highlights over the last year were:

Strategic Initiative - Safe Communities

- Promoted strategies that made neighborhoods safe places to live, work and play.
 - Provided early intervention with at-risk youth in crime-prone years by implementing community oriented policing strategies, stressing prevention, early identification and timely intervention. This included a multidisciplinary advisory committee comprised representatives from the Superior Court, Department Probation and local law that enforcement developed alternative placements for first-time juvenile offenders who have committed violence against family members.
 - Educated residents through community outreach and employed prevention and safety programs, including Office of Emergency Services' (OES) "OES for Kids" personal preparedness sessions at five elementary schools and Boys and Girls Clubs and through communication to businesses.
 - Provided safe and accessible parks and preserves, fostered innovative programs and initiatives that promoted government agency partnerships and community involvement and enhanced emergency communications and preparedness.
 - Repainted and re-marked crosswalks and roadway legends adjacent to all 121 public school and 12 private school locations in the

- unincorporated areas of the county. This kept children safe from traffic and provided safe routes to and from school. This activity is conducted annually to ensure markings are fresh and visible for maximum benefit.
- Promoted and implemented strategies that protect residents from crime.
 - Continued proactive law enforcement activities in the unincorporated area and cities that contract with the Sheriff's Department for law enforcement services, with deputies initiating more than 309,000 actions while on patrols.
 - Monitored offenders subject to community supervision to mitigate new crime offenses, resulting in 64% of supervised adult offenders completing their term of supervision with no convictions for a new crime.
 - Employed intelligence-led policing strategies to crime problems at the local and regional level, including expanding the Tracking Known Offender program to all Sheriff stations.
- Provided for a strong, collaborative criminal justice system that holds offenders accountable.
 - Collaborated with the local courts to ensure offenders were appropriately detained or sanctioned, including participation in Offender Reentry Court, Adult and Juvenile Drua Court, and Homeless Court.
 - Employed appropriate punitive measures that were balanced with rehabilitation opportunities, where appropriate. Introduced a Residential Reentry Center to provide work readiness training to certain in-custody offenders.
 - Provided quality investigation and crime analysis that led to successful identification and prosecution of offenders. Deployed the San Diego Regional Sex Offender Management System as an investigative tool available to the Sexual Assault Felony Enforcement (S.A.F.E) Task Force to 100% of local law enforcement agencies.
- Reduced recidivism by implementing treatment strategies that help offenders successfully reenter society.
 - Advanced the provision of treatment and diversion programs while adult offenders are in jail, addressing both health and behavioral health needs with the creation of the Reentry Services Division within the Sheriff's Detention Services Bureau.

- Employed transitional services for offenders as they exited out of detention facilities. Established a Community Transition Center to engage returning post release community supervision offenders to treatment and services.
- Integrated evidence-based practices and principles in collaboration with community and justice partners, including training 741 Deputy Probation Officers in research-supported methods of offender case planning and intervention strategies.
- Continued to strengthen the County's and communities' ability to prepare for, respond to and recover from disasters.
 - Collaborated with regional fire service agencies to improve fire protection and emergency response services, including the introduction of additional training opportunities for volunteer firefighters.
 - Engaged residents, the private sector and local jurisdictions through community outreach events and emergency readiness planning, including training for 100 regional partners on the proper use of the AlertSanDiego mass notification system.
 - Completed a new Geographic Information System (GIS) application for damage assessment reporting during disasters. The new application increased reporting frequency and thus reduced the time the County must wait for information on disaster impacts.
- Implemented a new countywide Eye Gnat program by completing an environmental analysis and amending County codes.
 - Ensured food quality safety and integrity, and verified that produce advertised as "organic" was registered and certified as organic by increasing organic spot inspections by 33% to 40 inspections.
 - Inspected 23 miles of targeted sewer mains within the sanitary sewer system, exceeding the goal of 390 miles, to identify sewer defects and facilitate proactive facility repairs to reduce the risk of sewer spills.

Strategic Initiative - Sustainable Environments

 Promoted green building, including sustainable building practices, renewable energy and energy efficiency through economic incentives including issuing 2,365 photovoltaic permits for solar power systems under an expedited fee waiver program.

- Initiated work on the Property Specific Request General Plan Amendment. This project will modify the County's General Plan land use designations to resolve private property owner concerns with the recently adopted General Plan, while ensuring the requested changes are consistent with the General Plan Guiding Principles and that they consider community planning group and other public input.
- Improved County operations through sustainability efforts in alternative energy systems, energy conservation, recycling, and green building design.
- Protected a sustainable watershed via outreach, education, inspections and developed plans to meet bacteria levels in accordance with the San Diego Regional Water Quality Control Board.
- Protected water quality and promoted water conservation by conducting 16 agricultural water workshops for 497 agricultural and other water users and deployed 2 additional water quality kiosks, bringing the total to 6 kiosks.
- Acquired, developed and maintained facilities that support and promote park stewardship and environmental sustainability and efficiency.
- Designed and initiated construction on 24 and completed construction on 21 road and roadrelated infrastructure improvement projects that enhance the long-term sustainability of the transportation network, exceeding the goal of 7 projects.
- Promoted increased civic engagement by increasing the number of permanent vote-by-mail voters by 15.6% and completing the addition of Chinese language to voting and election materials. This represents a 10.6% increase over the goal of a 5% increase in permanent vote-by-mail voters.
- Protected residential gardens and commercial produce from insidious pest infestations and avoided the widespread use of pesticides against new pests by placing and maintaining traps designed for early pest detection.
- Maintained the planned schedule of library operations and current level of services, including an average of 200 after-school programs each month, at the County's 33 branch libraries and 2 mobile libraries.

Strategic Initiative - Healthy Families

Continued implementation of Live Well, San Diego! strategies to provide the right services, to the right people, at the right time by:

- Built a better service delivery system that is innovative and outcome-driven.
 - Implemented year one of the Community Transformation Grant (CTG) supported public health efforts to reduce chronic diseases, promote healthier lifestyles, reduce health disparities, and decrease health care costs.
 - Implemented the first phase of the multi-year Community Based Care Transitions Program (CCTP) to reduce readmissions to hospitals by Medicare recipients. Public Health Nurses at Aging and Independence Services are receiving referrals from 13 participating private and public hospitals throughout the county. CCTP improves the quality of care for over 21,000 high-risk, highcost, fee-for-service Medicare patients as they transition from the acute care hospital to other care providers in the community, and reduces the risk of an avoidable hospital readmission which results in improved quality of life for the participants and reduced costs to taxpayers.
 - Evaluated data from the two pilot programs integrating physical and behavioral health services. Two programs established with one providing comprehensive counseling mental health services for children and adults (ICARE), and the second program adding psychiatric consultations to support primary care providers (SmartCare).
 - Established Extended Foster Care program, an outcome from Assembly Bill (AB) 12, the California Fostering Connections to Success Act, to extend foster care to 21 years of age. Over 500 youth received transitional services in the first year, assisting them to become self-sufficient adults.
 - Ensured that more than 70% of the dogs and cats in County Animal Shelters were reunited with their owner or adopted into a new home.
- Supported positive choices that empowered residents to take responsibility for their own health and well-beina.
 - Implemented the multi-year Community Nutrition Education Program grant to provide nutrition education and promote access to healthy foods to 3,432 at-risk, low-income individuals who receive or are potentially eligible to receive CalFresh nutrition assistance. Implemented the multi-year Community Transformation Grant (CTG) in support of public health efforts to reduce chronic diseases, promote healthier lifestyles, reduce health disparities, decrease health care costs for the region. Key

- accomplishments to date include procurements for tobacco-free living activities, promotion of active modes of transportation including walking and bicycling, and services that increase access to healthy food and beverages.
- Provided nutrition education for 670 low-income families with children, which represent 3,262 emphasizing healthful nutrition people, practices, food resource management and food safety, exceeding the goal of 400 families. A total of 55 teachers were trained in nutrition curricula who then provided education to 3,452 youth.
- Piloted a program, which received 576 referrals, for high-risk individuals with severe mental illness to help them take required medication and participate in treatment.
- Pursued policy and environmental changes that made it easier for people to engage in healthy and safe behaviors.
 - Developed and enhanced the experiences of park patrons and promoted healthy lifestyles by increasing recreational opportunities educational programs.
 - Developed six regional Live Well, San Diego! neighborhood-based plans by using standardized process for engaging community partners and aligning efforts in advancing a public-private partnership.
 - Implemented second phase of the succession plan to advance Live Well, San Diego!
 - Partnered with the Escondido Union School District on a successful proposal for the Pavina the Way for Safe Routes to School State grant that will invest \$375,000 over two years to improve the safety of walking and bicycling by school-aged children and their families in the neighborhoods surrounding several Escondido schools.
 - Partnered with the San Diego Association of Governments (SANDAG) and San Diego State University on a project to install bicycle counters in streets and along bike paths throughout the county to encourage healthy lifestyles and activities to prevent obesity.
 - Began improvements to Family Resource Centers and ACCESS (a public benefits transaction call center), including increasing accuracy of payment, and technological enhancements to improve customer service.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Other Awards and Recognitions

The County of San Diego works hard to maintain its standing as a best practices organization, offering programs that improve the lives of San Diego County residents in ways that are relevant and measurable.

The County is proud that its leadership and operational excellence continue to be recognized. Awards received from the State and national organizations representing county governments are highlighted below:

- The County of San Diego received Statewide recognition from the California State Association of Counties (CSAC) in 2012. Two programs, described in the following section, were honored with Challenge Awards and two with Merit Awards. CSAC awards highlight creative programs of California's counties, recognizing leadership and results that improve service to residents and save time and money.
- In 2013, the County again earned recognition from the National Association of Counties (NACo). Twenty-four programs received Achievement Awards for excellence. Nationwide, only one other county received more awards. These awards in 21 categories recognize innovative programs that modernize county government and increase services to residents. The award-winning programs operate within all five County business groups and include programs that serve youth and seniors, promote environmental protection, enhance public safety and reflect efficient, effective county administration.

Descriptions of these awards and additional recognitions of excellence that honor the County's progress in meeting its strategic goals are included below.

Strategic Initiative: Safe Communities

- The San Diego County Taxpayers Association recognized the County with its highest honor as the winner of the 2013 Grand Golden Watchdog Award for the Sheriff's Department Multi-Discipline Graffiti Abatement Program. This innovative and collaborative program allows law enforcement or public works staff of partnering agencies to centralize graffiti "tags" in a single database in order to link various graffiti throughout the county to specific individuals.
- The County's Juvenile Forensic Assistance for Stabilization and Treatment Program (JFAST), a collaborative court program to help juvenile offenders with mental health needs, was awarded the 2012 Juvenile Justice "At Large" Award by the County Juvenile Justice Commission.
- The Medical Examiner's Office was recognized by the San Diego Police Department (SDPD) and Lifesharing, a federally-designated organ and tissue recovery organization, for efforts to support crime victims. The office was instrumental in helping slain SDPD Officer Jeremy Henwood fulfill his wish to donate his organs after death, despite an ongoing homicide investigation. The organizations recognized the contributions of the Medical Examiner's Office toward making Henwood a hero in death as in life.
- The Office of Emergency Services (OES) received a 2012 Digital Government Achievement Award from the Center for Digital Government for the County's Web portal to access emergency information at www.sdcountyemergency.com.
- The California Emergency Services Association selected two communications programs of OES for their Gold Award for outstanding service in emergency management. Programs honored include the Accessible AlertSanDiego mass notification system which delivers emergency messages to the hearing and visually-impaired, and the ReadySanDiego Partner Connection, a social network that helps improve emergency preparedness in the business community.
- The Department of Parks and Recreation (DPR) earned the 2012 Recreation Facility/Park Design Achievement Award from the California Park and Recreation Society District 12 for the Sellers-Keever Educational Activity Center in Imperial Beach.

Named for Charlie Keever and Jonathan Sellers. two boys who were killed in the area in 1993, the center was designed with help from the boys' mothers and was honored for excellence in design of facilities that promote recreation and strengthen community, safety and security.

- NACo 2013 Achievement Awards
 - Establishing Local Assistance Centers-improved the County's planning to help the region recover from a disaster by pre-designating and training staff.
 - Graffiti Tracker increased graffiti tracking, prosecution and cost recovery using a webbased program and GPS-enabled cameras coordinated among 13 participating public agencies.
 - Forensic Pathology Residency Training and Autopsy Orientation Program - an effort to train medical students and pathology residents in the value of the autopsy and autopsy technique in the practice of clinical medicine.
 - Juvenile Forensic JFAST: Assistance Stabilization and Treatment Program - a program for juvenile offenders with mental health needs that helps young people manage their mental health, end delinquent behaviors and engage in positive activities with plans for a positive future.
 - San Diego Clean Slate Expungement Clinic a monthly Saturday self-help clinic that offers information and assistance from the Public Defender to residents who want to expunge their criminal records, an important step toward rehabilitation and successful reentry into the local community.
 - San Diego Emergency Smart Phone Application - enables residents to receive emergency notifications on their mobile phones, access disaster information during a fire or other event and prepare for a disaster.
 - Sheriff's Analysis-Driven Law Enforcement employs predictive policing techniques and analysis for more effective and efficient crime fighting in unincorporated San Diego County.

Strategic Initiative: Sustainable Environments

 San Diego County Library was honored as the 2012 Library of the Year by the educational publishing company Gale and Library Journal magazine, recognizing outstanding service to the community, creativity and leadership. The County Library's

- unprecedented growth in recent years, strategic budget allocation and innovative programming all helped to earn the award.
- The San Diego County Flood Control District received a 2012 Award for Excellence from the Floodplain Management Association for the San Luis Rey Flood Forecast Program, recognizing outstanding work developing this unique flood forecast tool to increase warning time and to minimize damage and risk to human life. Flood forecast information is available at http:// www2.sdcounty.ca.gov/lu/flood_control/ index.shtml.
- The completed Valley Center Road Bridge project received the 2012 Project of the Year Award from the American Public Works Association (APWA) and the 2012 Transportation Project Achievement Award from the Construction Management Association of America.
- The completed Black Canyon Road Bridge project received a 2012 Honor Award from APWA and a 2012 Outstanding Bridge Award from the American Society of Civil Engineers.
- The City of San Diego Environmental Services Department recognized the County as an environmental leader with its Director's Recycling Award for the County's food and waste recycling. The County recycles 18 tons of food waste per year at the Polinsky Children's Center and two employee cafeterias.
- Department of Parks and Recreation (DPR) earned a 2012 Award of Excellence from the California Park and Recreation Society for an innovative public service announcement video promoting camping and other recreational activities that aired in local movie theaters and on television.
- The County received a CSAC 2012 Challenge Award for DPR's volunteer program, which has allowed public services to continue despite fundina. diminished Volunteers save the department an estimated \$2 million.
- NACo 2013 Achievement Awards
 - Putting the "WOW" factor into Educational Outreach - provides awe-inspiring interactive educational outreach to elementary, middle and high school age students that demonstrates how Environmental Health Specialists use science on the job to motivate students to continue their education and consider a career in environmental health.

 1st Grade @ the Library - a program with participating elementary schools that encourages first graders and their families to read together and become lifelong library users.

Strategic Initiative: Healthy Families

- The Fallbrook Community Center received the Lights on Award from the San Diego County Office of Education for the After School Education and Safety Program which provides tutoring, nutrition education, mentoring and other positive activities for kindergarten through sixth grade students.
- The San Diego Hunger Coalition honored the Health and Human Services Agency's (HHSA's) South Region Family Resource Center with two CalFresh Task Force awards. CalFresh is California's name for the federal Supplemental Nutrition Assistance Program, formerly known as food stamps.
 - The Liaison of the Year award recognized a partnership with the Chula Vista Community Collaborative to assist families with CalFresh and Medi-Cal enrollment.
 - The CalFresh Community & County Partnership of the Year award honored efforts to conduct interviews for CalFresh enrollment via Web cam.
- 2-1-1 San Diego and the HHSA Central Region ACCESS Customer Service Center received a Community & County Partnership of the Year award from the San Diego Hunger Coalition honoring the creation of a 211-ACCESS email line. This service has allowed community partners to better determine the status of a client's case.
- The Developmental Screening and Enhancement Program supported by First 5 San Diego and provided by Rady Children's Hospital earned a Hospital Charitable Service Award from Jackson Healthcare honoring the program's efforts to provide developmental and social-emotional screenings for children under age five who enter foster care, and to offer follow-up support for foster children with special needs.
- The Department of Child Support Services (DCSS)
 earned recognition from peers with the Program
 Awareness Award at the Child Support Director's
 Association of California for two innovative
 programs that help explain the child support
 process, webinars for employers and a friendly and
 widely-emailed electronic newsletter for parents.

- NACo 2013 Achievement Awards
 - Child Support Customer E-Message a quarterly e-message series that connects DCSS with case participants in order to better serve as a resource for parents in providing financial and medical support to their children.
 - ICARE: Integrated Physical Health Care Resources for Mental Health Clients an innovative pilot project for individuals with serious mental illness to centralize care management, support self-management, increase access to physical health care and reduce the stigma associated with seeking mental health treatment.
 - A Look at Poverty Making a Difference Training

 an effort to remove perceived barriers that
 impede participation in CalFresh by training staff
 on issues related to poverty. The training helped
 add more than 50,000 children and seniors to the
 CalFresh program.
 - Low Income Health Program Pay-For-Performance - improves the overall quality of health and health care for enrollees in the Low Income Health Program using a pay-forperformance model that encourages providers to meet established goals for health care delivery and improve integration of mental health care at community health centers.
 - More on the Menu (MOM) Fresh Produce for Homebound Seniors - provides a weekly delivery of fresh fruits and vegetables and nutrition education to low-income, homebound and frail older adults funded entirely by community donations.
 - Neighborhoods for Kids Bella Vista Community Engagement Project - a creative team field internship for social workers to reduce child abuse, increase safety and family well-being, and build a stronger sense of community among residents in a 150-unit apartment complex.
 - Responsible Parenting Initiative a partnership with local community-based organizations and fatherhood networks to identify non-custodial parents and help resolve child support payment issues to become financially self-sufficient.

Operational Excellence Awards

The awards listed below recognize programs or accomplishments that support the County's Required Disciplines for Excellence outlined in the County's Strategic Plan:

- The County Communications Office (CCO) was honored with three regional Emmy awards from the National Academy of Television Arts & Sciences' Pacific Southwest region for video pieces including "The Eights Signs of Terrorism," produced in partnership with OES, the Sheriff's Department and local public safety agencies to educate the public about how to report suspicious behavior; "Safety Stickler," which focused on County regulation of tattoo parlors; and "Solar Cars," which followed middle school students as they competed in a solar car design competition.
- The County Communications Office's County News Center (CNC) received a STAR Award for Overall Excellence in government programming from the States of California and Nevada chapter of the National Association of Telecommunications Officers and Advisors. CNC earned four additional First Place STAR awards for best website, magazine show and two documentaries as well as Second Place STAR honors for an instructional video series and a public service announcement.
- The redevelopment of the County Operations Center garnered a 2012 People's Choice Orchid from the San Diego Architectural Foundation, a nonprofit organization dedicated to education and the promotion of outstanding architecture, planning and urban throughout the San Diego region. This was the second consecutive year the County was recognized with this award, having earned one in 2011 for the Fallbrook Library.
- The County Operations Center was selected by the San Diego/Imperial Chapter of the APWA as the 2013 Outstanding Sustainable Project in the over \$75 million category.
- Department of Child Support Services (DCSS), received 2012's Most Improved County Program from the National Child Support Enforcement Association and the California Department of Child Support Services for improvements in collections resulting from process improvements and for developing relationships with participants.
- DCSS earned recognition from the California Department of Child Support Services in 2012 for Top Overall Performance among large California county child support services departments. This is the third time in four years that San Diego County had been the top performer among the State's large counties.
- The Justice Electronic Library System (JELS), a County Technology Office initiative in partnership with the Probation Department, District Attorney

- Public Defender. earned Diaital and а Government Achievement Award from the Center for Digital Government chosen from many other outstanding programs submitted by international governments. JELS is used in Juvenile Court to improve electronic file sharing.
- Two programs of the Department of Housing and Community Development, serving as the Housing Authority of the County of San Diego, received Excellence from the Certificates of Department of Housing and Urban Development (HUD). The Section 8 program earned a High Performer designation for the 7th consecutive year for demonstrating a high level of competency in 14 areas including quality control. The Public Housing program earned High Performer status for the second consecutive year, recognizing excellence in facilities, financial condition and management.
- For the 12th consecutive year, the Department of Purchasina Contracting received Achievement in Excellence in Procurement from a group of organizations including the National Procurement Institute. The County was one of 40 government agencies in California and one of 41 counties in the U.S. to receive this award that innovation, recognizes professionalism, procurement, productivity and leadership attributes of the procurement function.
- For the sixth consecutive year the Department of General Services (DGS) was recognized by the California Counties Facilities Services Association with an Award of Excellence for exceptional dedication to facilities excellence and outstanding leadership in programs that extend the life of public facilities.
- Government Fleet Magazine named the Department of General Services' Fleet Management Division in the Top 20 Government Fleets of about 38,000 public sector operations in North America, based on performance in 12 categories including accountability, technology use, resource stewardship and competitive pricing. The County operates a fleet of approximately 3,900 vehicles and mobile equipment.
- For the 11th consecutive year, the Government Finance Officers Association (GFOA) recognized the County with the Distinguished Budget Presentation Award for the Adopted Operational Plan Fiscal Years 2012-2013 & 2013-2014 and named the document Outstanding as an Operations Guide. This award is a significant achievement for the County, reflecting a

commitment to the highest standards governmental budgeting.

- CSAC 2012 Challenge Award
 - Justice Electronic Library System (JELS) eliminated paper files used by deputy district attorneys and support staff, saving \$360,000 worth of productivity.
- CSAC 2012 Merit Awards
 - Lean Six Sigma Capacity Building Initiative developed competencies of Health and Human Services Agency (HHSA) staff to improve complicated, inefficient processes eliminating waste in services, boosting quality and results.
 - Public Administrator/Public Guardian E-Referral System - a secure, web-based system for public referrals to the Public Administrator/Public Guardian for estate administration conservatorship.
- NACo 2013 Achievement Awards
 - Design-Build Project Development improved the County's process for Design-Build proposals by reducing cost and complexity, in response to building industry concerns.
 - HHSA Long-Term Leaves Program Process and Tracking - streamlined the process used by HHSA to manage employees on long-term unpaid

- leaves of absence and improve compliance with Compensation Ordinances allowing more efficient use of budgeted positions.
- Lean Six Sigma Capacity Building Initiative developed HHSA staff expertise in the Lean Six Sigma managerial method to eliminate waste in services and improve quality and results.
- New Homeowners Property Tax Guide English/ Spanish - designed to assist English and Spanish speaking homeowners on the property tax process in order to empower and educate new homeowners on their real estate purchase.
- San Diego Investment Pool Temporary Transfer Fund Program - provided financial relief to eligible school districts and other entities by clarifying the process for the temporary transfer of funds from the Treasurer's Investment Pool.
- School-Based Mental Health Worker Career Pathway Program - an innovative approach to workforce development aimed at recruiting culturally and linguistically diverse high school students for future careers as mental health workers.
- Treasurer-Tax Collector Property Tax Checks Only Process - more efficiently identifies and applies property tax payments submitted without a payment stub from more than 50,000 taxpayers who use an online banking service.

Acknowledgments

We would like to express our appreciation to the accounting staff of County departments and the staff of the Auditor and Controller's department whose coordination, dedication and professionalism are responsible for the preparation of this report. We would also like to thank Macias Gini & O'Connell LLP for their professional support in the preparation of the CAFR. Lastly, we thank the members of the Board of Supervisors, the Chief Administrative Officer, Group/Agency General Managers and their staff for using sound business practices while conducting the financial operations of the County.

Respectfully,



DONALD F. STEUER Assistant CAO/

Chief Operating Officer

They M Sarlel TRACY M. SANDOVAL Deputy CAO/ **Auditor and Controller**







Government Finance Officers Association

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June 30, 2012

Executive Director/CEO

Board of Supervisors







Dianne Jacob District 2 Vice Chair



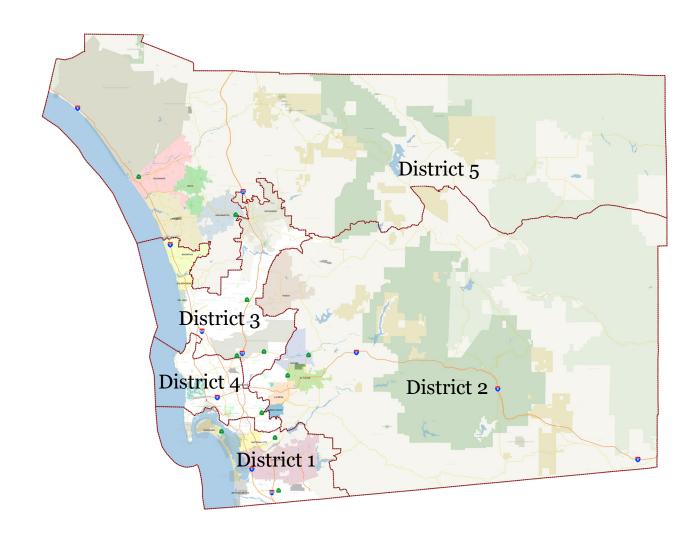
Dave Roberts
District 3



Ron Roberts District 4



Bill Horn District 5





*Elected officials

Other Elected and Appointed Officials

Chief Administrative Office

Chief Administrative Officer
Assistant Chief Administrative Officer/Chief Operating Officer

Helen N. Robbins-Meyer Donald F. Steuer

Elected Officials

Assessor/Recorder/County Clerk District Attorney Treasurer - Tax Collector Sheriff Ernest Dronenburg Bonnie Dumanis Dan McAllister Bill Gore

General Managers

Community Services Group Finance & General Government Group Health & Human Services Agency Land Use & Environment Group Public Safety Group David Estrella Tracy Sandoval Nick Macchione Sarah Aghassi Ron Lane

Department Heads

Agriculture, Weights & Measures
Air Pollution Control District
Animal Services
Auditor and Controller
Behavioral Health Services
Chief of Staff
Child Support Services
Child Welfare Services
Civil Service Commission
Clerk of the Board of Supervisors
County Communications Office
County Counsel
County Technology Office
Emergency Services
Environmental Health

Farm & Home Advisor General Services Health & Human Services Agency (HHSA) Chief Operations HHSA - East Region/Aging & Independent Services HHSA - Central & South Regions

HHSA - North Regions

Housing & Community Development

Human Resources Internal Affairs Library

Medical Examiner
Parks & Recreation
Planning & Development Services

Probation

Public Defender
Public Health Services
Public Works

Purchasing & Contracting Registrar of Voters

Strategic Planning & Operational Support Strategy & Intergovernmental Affairs

Lisa Leondis
Bob Kard
Dawn Danielson
Tracy Sandoval
Alfredo Aguirre
Nicole J. Alejandre
Jeff Grissom
Debra Zanders-Willis
Patt Zamary
Thomas J. Pastuszka
Michael Workman
Tom Montgomery
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April Heinze Dean Arabatzis Pamela B. Smith Barbara Jimenez **Chuck Matthews Todd Henderson** Donald Turko Joe Cordero Jose Aponte Glenn Wagner Brian Albright Mark Wardlaw Mack Jenkins Henry C. Coker Wilma Wooten, M.D. Rich Crompton Winston F. McColl Michael Vu

Dale Fleming

Geoff Patnoe

James Bethke

Independent Auditor's Report



225 Broadway, Suite 1750 San Diego, CA 92101 619.573.1112

Sacramento

Walnut Creek

Oakland

LA/Century City

Newport Beach

Seattle

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors County of San Diego, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of San Diego, California (County), as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the First 5 Commission of San Diego (Commission), the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Commission, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independent Auditor's Report

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the schedule of revenues, expenditures, and changes in fund balance - budget and actual for the General Fund, Public Safety and Tobacco Endowment special revenue funds as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying introductory section, the combining and individual fund information and other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund information and other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund information and other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

mariar Jini & O'Connell LLP

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2013, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

San Diego, California November 15, 2013

This section of the County of San Diego's (County) Comprehensive Annual Financial Report provides a narrative overview and analysis of the basic financial activities of the County as of and for the year ended June 30, 2013.

The intent of the information presented here, in conjunction with the Letter of Transmittal is to provide the reader with a clearer picture of the County's overall financial status. Unless otherwise indicated, all amounts in this section are expressed in thousands of dollars.

Financial Highlights

- The assets of the County exceeded liabilities at the close of the fiscal year 2013 by \$4.24 billion (net position). Of this amount, \$3.03 billion represents net investment in capital assets (capital assets net of related debt); \$620 million is restricted for specific purposes (restricted net position); and the remaining portion represents unrestricted net position of \$595 million.
- Total net assets increased by \$214.9 million. For governmental activities, capital assets and current and other assets increased by \$82.4 million and \$59.4 million, respectively, while long-term liabilities and other liabilities decreased by \$24.5 million, and \$50.2 million, respectively. For business-type activities, capital assets increased by \$4.3 million, offset by a decrease in current and other assets of \$4.5 million, while long-term liabilities decreased by approximately \$300 thousand, offset by an increase of other liabilities of about \$1.7 million.
- General revenues for governmental activities were \$1.03 billion. Of this amount, property taxes and property taxes in lieu of vehicle license fees accounted for \$891 million or 86%; while other taxes, sales and uses taxes, investment earnings and other general revenues accounted for \$141 million or 14%.
- Program revenues for governmental activities were \$3.0 billion. Of this amount, \$2.47 billion or 82% was attributable to operating grants and contributions while charges for services accounted for \$497 million or 17%.
- The total expenses for governmental activities were \$3.81 billion. Public assistance accounted for \$1.18 billion or 31%, while public protection accounted for \$1.24 billion or 32% of this amount. Additionally, health and sanitation accounted for \$851 million or 22%.

Overview of the Financial Statements

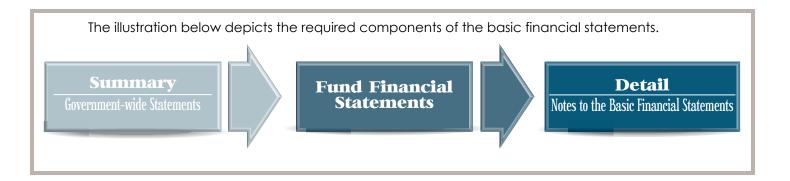
This discussion and analysis is intended to serve as an introduction to the County's basic statements. The County's basic financial statements comprise three components: 1) Government-wide financial statements 2) Fund financial statements, and 3) Notes to the basic financial statements. Required supplementary information is included in addition to the basic financial statements.

The Government-wide financial statements are designed to provide readers with a broad overview of County finances, in a manner similar to a privatesector business.

The Statement of Net Position presents information on all County assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the aforementioned government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees (business-type activities). and charges governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation and cultural. The businesstype activities of the County include airport operations, sanitation districts and wastewater management.



Fund financial statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially same functions reported governmental activities in the government-wide financial statements. However, unlike the governmentwide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating county's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues,

expenditures and changes in fund balances for the General Fund, Public Safety Special Revenue Fund and the Tobacco Endowment Special Revenue Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the combining and individual fund information and other supplementary information section in this report.

Proprietary funds are generally used to account for services for which the County charges customers - either outside customers, or internal departments of the County. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The County maintains the following types of proprietary funds:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for airport operations, sanitation services and wastewater management. These nonmajor enterprise funds are combined and aggregated. Individual fund data for each nonmajor enterprise fund is provided in the combining and individual fund information and other supplementary information section in this report.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Internal service funds are used to account for the financing of public works and communications equipment; the financing of materials and supplies (purchasing); for start up services for new and existing county service districts; for the County's public liability and employee benefits activities; the financing of fleet services; for facilities management activities; for the financing of

information technology services; and for the financing of clothing and personal sundry items for persons institutionalized at various County facilities. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The County's internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the combining and individual fund information and other supplementary information section in this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the governmentwide financial statements because the resources of these funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required supplementary information (RSI) is also presented. It provides budgetary comparisons for the General Fund, Public Safety Special Revenue Fund and the Tobacco Endowment Special Revenue Fund (all major funds) in separate Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual.

Combining financial statements/schedules supplementary information section of this report presents combining and individual fund statements and schedules referred to earlier that provide information for nonmajor governmental funds, enterprise funds, internal service funds and fiduciary funds and are presented immediately following the required supplementary information section of this report.

Government-wide Financial Analysis Table 1

Net Position						
June 30, 2013 and 2012 (In Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
ASSETS						
Current and other assets	\$ 3,281,461	3,222,021	84,566	89,070	3,366,027	3,311,091
Capital assets	3,213,097	3,130,675	168,476	164,187	3,381,573	3,294,862
Total assets	6,494,558	6,352,696	253,042	253,257	6,747,600	6,605,953
LIABILITIES						
Long-term liabilities	2,024,442	2,048,905	1,470	1,734	2,025,912	2,050,639
Other liabilities	475,185	525,421	2,957	1,301	478,142	526,722
Total liabilities	2,499,627	2,574,326	4,427	3,035	2,504,054	2,577,361
NET POSITION						
Net investment in capital assets	2,861,061	2,770,556	167,430	162,874	3,028,491	2,933,430
Restricted	619,855	553,422			619,855	553,422
Unrestricted	514,015	454,392	81,185	87,348	595,200	541,740
Total net position	\$ 3,994,931	3,778,370	248,615	250,222	4,243,546	4,028,592

Analysis of Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$4.24 billion at the close of fiscal year 2013, an increase of \$214.9 million or 5.1% over fiscal year 2012. This included an increase of approximately \$120 million in the County's restricted and unrestricted net position (an 11% increase over fiscal year 2012) and an increase of \$95 million in net investment in capital assets (a 3% increase over fiscal year 2012).

The aforementioned increase of \$214.9 million in net position was composed of the following changes in total assets and liabilities:

- Total assets increased by \$141.6 million. This included an increase of \$54.9 million in current and other assets and an \$86.7 million increase in capital assets. The net increase of \$54.9 million in current and other assets was primarily attributable to an increase in cash and investments (including restricted and unrestricted cash and investments with fiscal agents) of \$81.7 million, a decrease of \$2 million in receivables, net (excluding property taxes), a \$22.4 million decrease in property taxes receivables, net, and a \$2.4 million decrease in other assets. The \$81.7 million net increase in cash is principally due to a \$2 million decrease in receivables, net (excluding property taxes), a \$22.4 million decrease in property taxes receivables, net, a \$1.6 decrease in lease receivable, a \$2.3 million decrease in accounts payable, a \$1.5 million increase in accrued payroll, a \$47.41 million decrease in unearned revenue, all of which have the net effect of decreasing cash; offset by increases to cash mainly attributable to \$29.91 million in proceeds of the San Diego County Capital Asset leasing Corporation 2012 Cedar and Kettner Development Project Certificate of Participation debt issuance, and a \$74 million increase in realignment monies. The \$2 million decrease in receivables, net is principally due to a decrease of \$6.3 million in amounts due from other governments, coupled with an \$800 thousand increase in loans receivable, and a \$3.5 million increase in other accounts receivables. The \$22.4 million decrease in property taxes receivables, net was principally attributable to a decrease in delinquent secured taxes. The increase in capital assets was due in part to \$49.9 million of the Women's Detention Facility in Santee; \$28.1 million towards acquisition of equipment; \$7 million towards acquisition of land, and \$1.7 in various other capital asset increases.
- Total liabilities decreased by \$73.3 million. This included a decrease in long-term liabilities of \$24.7 million coupled with a decrease in other liabilities of \$48.6 million. The decrease of \$24.7 million in long-term liabilities was mainly due to a \$44.6 million decrease in long-term debt (see Long-Term Liabilities discussion), offset by a net \$19.9 million increase in other long-term liabilities (including a \$17.7 million increase in claims and judgments, a \$406 thousand increase in pollution remediation liabilities, and a \$1.79 million increase in other long-term liabilities). The decrease in other liabilities of \$48.6 million was primarily due to a \$47.41 million decrease in unearned revenue, a \$2.3 million decrease in accounts payable (\$4.3 million increase vendors payable, offset by a \$6.6 million decrease in due to other government agencies and other payables), and an approximately \$390 thousand decrease in accrued interest; offset by a \$1.5 million increase in accrued payroll.

The largest portion of the County's net position (71%) reflects its investment of \$3.03 billion in capital assets, net of related debt (which includes: land, easements, buildings and improvements, equipment, software and infrastructure; less any related outstanding debt used to acquire those assets). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

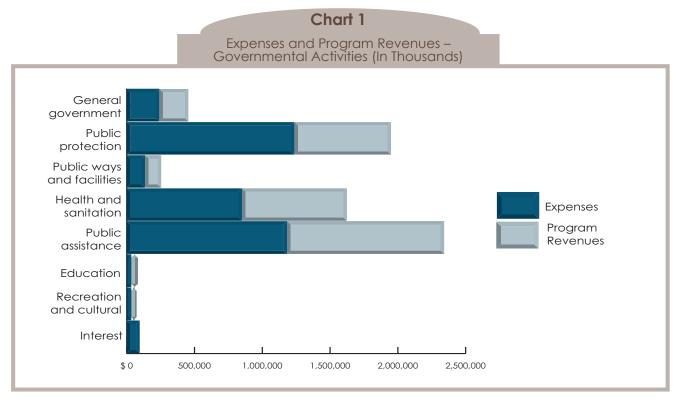
An additional portion of the County's net position, i.e. restricted net position equaled \$620 million and represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by grantors, contributors, laws and/or regulations of other governments. The remaining portion of the County's net assets includes \$595 million in unrestricted net assets.

Table 2

Changes in Net Position						
For the years ended June 30, 2013 and 2012						
(In Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues						
Charges for services	\$ 496,775	506,355	36,202	36,476	532,977	542,831
Operating grants and contributions	2,467,966	2,317,522	4,933	539	2,472,899	2,318,061
Capital grants and contributions	32,728	11,005			32,728	11,005
General Revenues						
Property taxes	587,145	616,183			587,145	616,183
Other taxes	20,912	17,200			20,912	17,200
Property taxes in lieu of vehicle license fees	303,646	304,614			303,646	304,614
Sales and use taxes	24,809	18,222			24,809	18,222
Investment earnings	3,504	12,338	46	1,151	3,550	13,489
Other	90,789	117,509	123	209	90,912	117,718
Total revenues	4,028,274	3,920,948	41,304	38,375	4,069,578	3,959,323
Expenses:						
Governmental Activities:						
General government	240,409	271,485			240,409	271,485
Public protection	1,236,708	1,179,815			1,236,708	1,179,815
Public ways and facilities	135,432	132,166			135,432	132,166
Health and sanitation	851,246	790,907			851,246	790,907
Public assistance	1,183,923	1,175,678			1,183,923	1,175,678
Education	34,104	34,669			34,104	34,669
Recreation and cultural	34,204	36,128			34,204	36,128
Interest	95,801	102,338			95,801	102,338
Business-type Activities:						
Airport			14,107	12,736	14,107	12,736
Sanitation district			22,936	22,335	22,936	22,335
Wastewater management			5,754	5,980	5,754	5,980
Total expenses	3,811,827	3,723,186	42,797	41,051	3,854,624	3,764,237
Changes in net position before extraordinary gain and transfers	216,447	197,762	(1,493)	(2,676)	214,954	195,086
Extraordinary gain		10,423				10,423
Transfers	114	(28)	(114)	28		
Change in net position	216,561	208,157	(1,607)	(2,648)	214,954	205,509
Net position at beginning of year	3,778,370	3,570,213	250,222	252,870	4,028,592	3,823,083
Net position at end of year	\$ 3,994,931	3,778,370	248,615	250,222	4,243,546	4,028,592

Analysis of Changes in Net Position

At June 30, 2013, changes in net position before transfers equaled \$215 million, a \$19.9 million or 10% increase from the previous year. Principal revenue sources contributing to the change in net position were operating grants and contributions of \$2.47 billion and taxes of \$891 million (including: property taxes and property taxes in lieu of vehicle license fees.) These revenue categories accounted for 83% of total revenues. Principal expenses were in the following areas: public assistance, \$1.18 billion; public protection, \$1.24 billion; and health and sanitation, \$851 million. These expense categories accounted for 85% of total expenses.



Governmental activities

At the end of fiscal year 2013, total revenues for the governmental activities were \$4.03 billion, while total expenses were \$3.81 billion. Governmental activities increased the County's net position by \$216.6 million, while the business-type activities change in net position equaled \$(1.6 million).

Expenses:

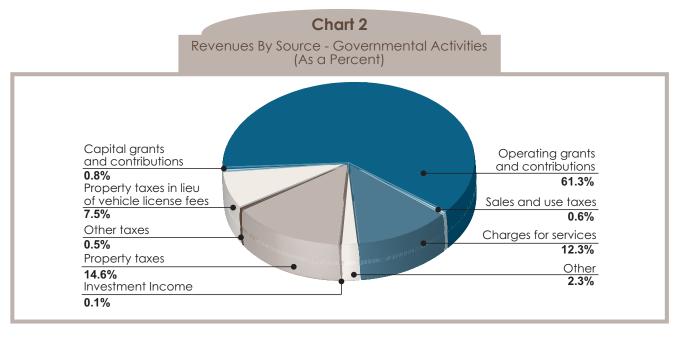
Total expenses for governmental activities were \$3.81 billion, an increase of \$89 million or 2% (\$95 million increase in functional expenses and \$6 million decrease in interest expense). Public protection (32%), and public assistance (31%) were the largest functional expenses, followed by health and sanitation (22%).

The \$95 million increase in functional expenses consisted of the following:

- \$32 million in overall salaries and benefit costs principally due to a net \$21 million increase in retirement costs, and \$7 million in increased overtime incurred in various departments;
- \$51 million net increase in contracted services including: a \$39 million net increase in the Low Income Health Program consisting of a \$49 million

increase attributable to caseload growth, a \$9 million increase in various Behavioral Health Services contracts, offset by an \$8 million decrease in various Public Health Services contracts, a \$7 million decrease in Aging and Independent Services contracts primarily due to reduced hours in the In-Home Supportive Services program, and a \$4 million decrease in various health and human services eligibility program contracts; a \$7 million increase in medical support and care costs for services provided to the increased number of inmates under California Assembly Bill AB109 realignment; a \$4 million increase in Public Safety realignment services including increased contractual costs in several programs; and, a \$1 million increase in foster care due to a 2.98 percent in foster care rates and implementation of the Extended Foster Care Program created by California Assembly Bill 12.

- \$6 million in mental health related inpatient and outpatient rehabilitation institutional services managed care costs;
- \$5 million in depreciation/amortization; and,
- \$1 million in Sheriff food services costs.



Revenues:

Total revenues for governmental activities were \$4.03 billion, an increase of 2.7% or \$107 million from the previous year. This increase consisted of an increase in program revenue of \$162 million and a decrease in general revenues of \$55 million as follows:

The \$162 million increase in program revenue was chiefly due to increases of \$188.4 million and decreases of \$26.4 million noted below:

Increases in program revenues of \$188.4 million were principally composed of the following:

- \$74 million in realignment revenues;
- \$43 million in aid from Redevelopment Agencies (pre-dissolution)/Successor Agencies (post dissolution);
- \$33.4 million due to the growth of the Low Income Health Program;
- \$18 million in donated assets:
- \$14 million in Proposition 172 revenues;
- \$3 million in air quality revenues;
- \$2 million in road and street services; and,
- \$1 million in contract city law enforcement.

Decreases in program revenue of \$26.4 million were principally attributable to:

- \$19 million in TransNet 1/2 percent sales and use
- \$2 million in penalty assessments;
- \$2 million decrease in services to property owners;

- \$1.2 million decrease in foster care assistance;
- \$1.2 million in child support enforcement incentives revenue: and
- \$1 million in plan check and field inspections.

General revenues decreased overall by approximately \$55 million. This increase was the result of increases of approximately \$18.1 million and decreases of \$73.1 million noted below.

Increases in general revenues of approximately \$18.1 million were mainly due to the following:

- \$13 million in current and prior secured property taxes;
- \$3.6 million in real property transfer taxes; and,
- \$1.5 million in recovered expenses.

Decreases in general revenues of \$73.1 million were primarily due to the following:

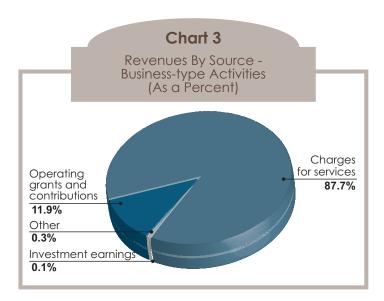
- \$37 million in California Assembly Bill 1484 true-up property taxes received from Successor Agencies as one-time revenues in fiscal year 2012;
- \$25 million in one-time court settlement related to the 2007 wildfires received in fiscal year 2012;
- \$6 million in the fair value of pooled cash and investments:
- \$3.1 million in investment earnings attributable to a 23% decrease in annualized interest rates earned by the County Treasury Pool;
- \$1 million in property tax in lieu of vehicle license fees; and,

• \$1 million decrease in donations from private parties.

The County's governmental activities rely on several sources of revenue to finance ongoing operations. As shown in **Chart 2**, operating grants and contributions of \$2.47 billion accounted for 61.3%, the largest share of this revenue. These monies are received from parties outside the County and are generally restricted to one or more specific programs. Examples of operating grants and contributions include State and Federal revenue for public assistance programs and health and sanitation programs.

Property taxes and property taxes in lieu of vehicle license fees are not shown by program, but are effectively used to support program activities countywide. Combined, these general revenues equaled \$891 million and accounted for 22.1% of governmental activities. Additionally, charges for services were \$497 million and accounted for 12.3% of revenues applicable to governmental activities.

Other factors concerning the finances of the County's major governmental funds are discussed in the governmental funds section of the "Financial Analysis of County's Funds."



Business-type Activities

Business-type activities, which are exclusively comprised of enterprise funds, are intended to recover all or a significant portion of their costs through user fees and charges. As shown in **Chart 3**, charges for

services represent \$36 million or 87.7%, while operating grants and contributions (\$4.9 million) represent 11.9% of total revenues.

Net position of business-type activities decreased by \$1.6 million, less than 1%. This net decrease primarily included the following:

- \$4.4 million increase in grants, primarily from the Federal Department of Transportation;
- \$1 million decrease in investment earnings;
- \$1 million increase in contract services attributable to road and consulting services;
- \$1 million decrease in rents and concessions;
- \$900 thousand increase in repairs and maintenance:
- \$500 thousand increase in loss on disposal in the Sanitation District Fund:
- \$100 thousand decrease in depreciation and amortization; and,
- \$1.7 million increase in other liabilities due to: a \$1.7 million increase in accounts payable, of which \$1.5 million and \$122 thousand are attributable to the Airport Fund and Sanitation District Fund, respectively.

Financial Analysis of County Funds

The County uses fund accounting to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the financing requirements. County's In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of major governmental funds reported by the County include the General Fund, the Public Safety Special Revenue Fund and the Tobacco Endowment Special Revenue Fund. Nonmajor governmental funds include special revenue funds, debt service funds, and capital projects funds.

At June 30, 2013, the County's governmental funds had combined ending fund balances of \$2.45 billion, an increase of \$96 million in comparison to the prior fiscal year. Of the total June 30, 2013 amount, \$644.45 million constituted unassigned fund balance, which is

available for spending at the County's discretion. \$184.5 million of fund balance is assigned, \$878.6 million is committed, \$729.2 is restricted, and \$17.9 million is nonspendable. (Please refer to Note 1 in the notes to the financial statements for more details regarding fund balance classifications.)

Governmental revenues overall totaled \$3.97 billion representing a 1.7% increase. Governmental expenditures totaled \$3.90 billion, a 2.3% increase from the fiscal year ended June 30, 2012.

General Fund:

The General Fund is the chief operating fund of the County. At the end of fiscal year 2013, its unassigned fund balance was \$644.45 million, while total fund balance was \$1.60 billion, an increase of \$113.6 million from fiscal year 2012.

This \$113.6 million increase in fund balance was composed of \$244.9 million in increases and \$131.3 million in decreases as follows:

Increases to fund balance of \$244.9 million were composed of:

- \$74 million in realignment revenues;
- \$40 million in aid from Redevelopment Agencies (pre-dissolution)/Successor Agencies (post dissolution);
- \$33.4 million due to the growth of the Low Income Health Program; both in enrollment and claims paid. Enrollment increased from 29,805 in fiscal year 2012 to 39,107 in fiscal year 2013;
- \$22 million increases in transfers in from the Public Safety Fund for Proposition 172 sales taxes;
- \$19 million in State Aid CalWORKS assistance payments principally attributable to an increase in the State's sharing ratio;
- \$15.6 million decrease capital in outlay expenditures;
- \$13 million in current and prior secured property taxes mainly due to the improved economy; resulting in increased sales of real property coupled with a decrease in refunds attributable to fewer assessment appeals;
- \$6 million in MediCal revenues;
- \$4 million in third party reimbursements;
- \$3.6 million in real property transfer taxes;
- \$3.5 million increase in recording fees;
- \$3.2 million in law enforcement services;
- \$2 million in election services;

- \$2 million decrease in equipment rental expenditures;
- \$1.3 million in planning and engineering services;
- \$1 million in construction permits; and
- \$1 million decrease in safety clothing expenditures.

Decreases to fund balance of \$131.3 million were composed of:

- \$51 million net increase in contracted services including: a \$39 million net increase in the Low Income Health Program consisting of a \$49 million increase attributable to caseload growth, a \$9 million increase in various Behavioral Health Services contracts, offset by an \$8 million decrease in various Public Health Services contracts, a \$7 million decrease in Aging and Independent Services contracts primarily due to reduced hours in the In-Home Supportive Services program, and a \$4 million decrease in various health and human services eligibility program contracts; a \$7 million increase in medical support and care costs for services provided to the increased number of inmates under California Assembly Bill AB109 realignment; a \$4 million increase in Public Safety realignment services includina increased contractual costs in several programs; and, a \$1 million increase in foster care due to a 2.98 percent increase in foster care rates and implementation of the Extended Foster Care Program created by California Assembly Bill 12.
- \$32 million increase in salaries and benefit costs:
- \$29 million due to a reduction in the CalWORKS caseload; and a change in the sharing ratio between the County, State and Federal governments;
- \$11 million in various federal American Recovery and Reinvestment Act grants;
- \$6 million in the Southwest Border Prosecution Initiative grant; and,
- \$2 million in institution hospital care revenues.

Public Safety Special Revenue Fund:

This fund was established to account for Proposition 172 half-cent sales taxes collected and apportioned to the County by the State Board of Equalization to fund public safety activities. Per Government Code Section 30052, a "maintenance of effort" (pre-Proposition (Prop) 172 public safety funding level) must be maintained by the County to comply with the statute's spending requirements. In accordance with the Code,

funds are allocated to the Sheriff, District Attorney and Probation departments. Transfers-out of this fund subsidize the following types of public safety activities: juvenile detention services; facilities maintenance and support; capital projects, equipment and other one-time expenditures; on-going technology initiatives; and various region-wide services.

As of June 30, 2013, the total (restricted) fund balance in the Public Safety Special Revenue Fund was \$55.4 million, a \$13.1 million increase from the previous fiscal year. This increase was mainly due to a \$14 million increase in Prop 172 revenues due to improvements in the local economy in fiscal year 2013.

Tobacco Endowment Special Revenue Fund:

This special revenue fund is used to account for the \$411 million the County received from the Tobacco Asset Securitization Corporation (Corporation) related to the sale of 25 years of tobacco settlement revenue in fiscal year 2002; and an additional \$123 million the County received from the Corporation resulting from the issuance of the San Diego County Tobacco Asset Securitization Corporation refunding bonds in fiscal year 2006. At the end of fiscal year 2013, fund balance was \$347 million, a decrease of \$23.5 million from fiscal year 2012, principally due to investment income of \$820 thousand offset by \$24.2 million in transfers out to the General Fund for the support of health related program expenditures.

Other Governmental Funds:

Other governmental funds consist of nonmajor funds, which include special revenue funds, debt service funds, and capital project funds. Individual fund data for each of these nonmajor governmental funds is provided in the combining and individual fund information and other supplementary information section in this report.

As of the end of fiscal year 2013, the fund balances of the other governmental funds totaled \$451 million, a net decrease of \$7 million from the prior year. This \$7 million net decrease consisted of \$13 million in increases, offset by decreases of \$20 million as follows:

\$13 million increase to Other Governmental Funds' fund balance:

 \$12 million increase in the San Diego County Capital Asset Leasing Corporation Capital Projects Fund's fund balance as a result of the receipt of \$28 million in proceeds from the issuance of the County's fixed rate certificates of participation for the construction of the Cedar and Kettner Development Project; offset by \$16 million in capital outlay expenditures for the County Administration Center Waterfront construction project; and,

• \$1 million increase in the Inmate Welfare Special Revenue Fund's fund balance resulting from a \$1.2 million decrease in transfers out to the General Fund to reimburse it for costs incurred related to services provided to the Inmate Welfare Special Revenue Fund coupled with a \$200 thousand increase in transfers in from the Jail Stores internal service fund for the benefit, education and welfare of confined inmates; offset by a \$300 thousand increase in contracted services and \$100 thousand increases in other expenditures.

\$20 million decrease to Other Governmental Funds' fund balance:

- \$12 million decrease to the Road Special Revenue Fund's fund balance due to a decrease of \$19 million in TransNet ½ percent sales and use tax revenues, coupled with a \$2 million increase in transfers out to the Road and Communication Equipment Internal Service Fund for the reimbursement of equipment acquisition costs incurred for fleet replacement and upgrade; offset by \$9 million decrease in capital outlay expenditures for the Jamacha Boulevard and Jamacha Road Helix Traffic Signal construction projects; and the Bear Valley Parkway Land acquisition;
- \$3.5 million decrease to the Housing Authority Fund's fund balance principally attributable to a \$500 thousand decrease in Section 8 fraud recovery revenues, a \$200 thousand decrease in investment income, a \$200 thousand decrease in federal rental assistance payments, and a \$100 decrease thousand in aid from governmental agencies; coupled with a \$2.3 million increase in tenant assistance expenditures, \$100 thousand increase in repairs maintenance expenditures, and a \$100 thousand increase in various contracted services.
- \$2.6 million decrease to the Flood Control Special Revenue Fund's fund balance resulting from a \$200 thousand decrease in federal aid other grants, a \$200 thousand decrease in planning and engineering services, and a \$100 thousand

decrease in federal aid rain damage; coupled with a \$1.2 million increase in capital outlay for flood control expenditures, a \$800 thousand increase in contracted road services, and a \$100 thousand increase equipment in expenditures;

- \$1 million decrease to the Asset Forfeiture Special Revenue Fund's fund balance mainly due to a \$2 million increase in asset forfeiture revenues, offset by a \$3 million increase in transfers out to fund the construction of the Rancho San Diego Sheriff station; and,
- \$900 thousand decrease to the County Service Districts Special Revenue Fund due to a \$200 thousand increase in institutional care transportation revenues; offset by a \$600 thousand increase in repairs and maintenance expenditures, and a \$500 thousand increase in various contract services expenditures.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The nonmaior enterprise funds and the internal service funds are combined into single, aggregated presentations in the proprietary fund financial statements. Individual proprietary fund data is presented in the combining financial statements/schedules and supplemental information section of this report.

Enterprise Funds:

See previous discussion above regarding business-type activities.

Internal Service Funds:

Net Positions of the internal services funds (ISF) totaled \$103 million, a net increase of \$5 million from the prior year. This \$5 million net increase consisted of \$25 million of increases, offset by decreases of \$20 million as follows:

\$25 million increases to internal service funds' net assets were comprised of:

• \$8 million increase in the Facilities Management Fund primarily due to a \$1.5 million increase in other operating revenues, an increase of \$5.3 million in capital contributions, an increase of \$100 thousand in non-operating revenues and a \$100 thousand increase transfers in; coupled with a decrease in other operating expenses of \$1 million;

- \$6 million increase in the Public Liability Insurance Fund primarily due to a \$6 million decrease in settlement expenses;
- \$5 million increase in the Road and Communication Equipment Fund primarily due to \$4 million increase in cash and investments resulting from transfers in from other nonmajor funds and an increase of \$1 million in equipment;
- \$2 million increase in the Fleet Services Fund chiefly due to a \$1 million of transfers in from the General Fund for purchases of vehicles and a \$1 million decrease in fuel costs;
- \$2 million increase in the Purchasing Fund consisting of a decrease in equipment rental, contracted services, depreciation/ and amortization expenses totaling \$1 million and a \$1 million increase in charges for services; and,
- \$2 million increase in the Information Technology Fund primarily due to an \$8 million increase in equipment, a \$4 million decrease in software and decrease \$2 million in accumulated depreciation/amortization.

\$20 million of decreases to internal service funds' net assets were comprised of:

• \$20 million decrease in Employee Benefits Fund's net position primarily due to an increase in claims and judgments expense of \$18 million.

Fiduciary Funds

The County maintains fiduciary funds for the assets of the Pooled Investments-Investment Trust Funds, Private Purpose Trust Fund and the Agency Funds.

Pooled Investments - Investment Trust Funds:

These funds were established for the purpose of reporting pooled investments. The Pooled Investments - Investment Trust Funds' net position totaled \$4.04 billion, an increase of \$435 million, from the previous year. This increase was substantially due to contributions to investments of \$6.854 billion offset by net investment earnings of \$(1) million and distributions from investments of \$6.418 billion.

Private Purpose Trust Fund:

The private purpose trust fund reports the assets, liabilities, and activities of the County of San Diego Successor Agency formed pursuant to California Assembly Bill x1 26 on February 1, 2012 upon dissolution of the San Diego County Redevelopment Agency (SDCRA). The County of San Diego Successor Agency

Private Purpose Trust Fund's net position had a deficit balance of approximately \$15 million at June 30, 2013, a decrease of \$2 million. This decrease was mainly due to \$2 million of Successor Agency Redevelopment Property Tax Fund distributions; offset by contributions to other agencies and interest charges of approximately \$4 million.

Agency Funds:

Agency funds maintain assets held in an agent capacity for other governments, organizations and individuals. These assets do not support the County's programs or services. Any portion of the agency funds' assets held at fiscal year end for other County funds are reported in those funds rather than in the agency funds.

General Fund Budgetary Highlights

The County's final budget differs from the original budget (see Notes to required supplementary information) in that it contains supplemental appropriations approved during the fiscal year for various programs and projects, as well as transfers of appropriations, budget corrections, re-budgets, and account reclassifications. For the fiscal year ended June 30, 2013 net expenditure appropriations increased by \$35.5 million and appropriations for transfers-out decreased by \$4.8 million for a net increase of \$30.7 million.

Appropriation changes of note to the original budget were the following:

- \$4.9 million appropriation increase in the Health and Human Services Agency's Aging & Independence Services division to support the implementation of the Community-based Care Transitions Program.
- \$8.3 million appropriation increase in the Health and Human Services Agency, Strategic Planning and Operation Support for the reimbursement for previously uncompensated costs in the Low Income Health Program based on unanticipated revenue from the California Department of Health Care Services.
- \$8.2 million appropriation increase in the Sheriff's Department due to a grant award from the federal Department of Homeland Security.

- \$3.1 million appropriation increase in the Health and Human Services Agency for the State's transfer of the Healthy Families Program to Medi-Cal funded by available State and Federal Medi-Cal and CalFresh revenue.
- \$1.5 million appropriation increase in the Public Safety Group to fund the purchase of new fire apparatus funded by CDBG funds.

Actual revenues fell short of the final budgeted amounts by \$46.4 million, while actual expenditures were less than the budgeted amount by \$402.3 million. The combination of the revenue and expenditure shortfalls resulted in a revenue/expenditure operating variance of \$355.9 million. Other financing sources and uses of funds resulted in a net sources versus uses variance from budget of \$277.8 million. These combined amounts resulted in a variance in the net change in fund balance of \$633.7 million.

Highlights of actual expenditures compared to final budgeted amounts are as follows:

Salaries and Benefits:

The final budget over expenditure variance across all functions in this category was \$59.7 million. A significant portion of these savings were in the Public Safety Group and the Health and Human Services Agency but also in the Land Use and Environment Group, Community Services Group and Finance and General Government Group from lower than budgeted salaries and employee benefit costs due to staff turnover and department management of vacancies.

Health and Human Services Agency Programs:

Funded by a combination of State, federal, and County revenues, most Health and Human Services Agency programs are carried out in the functional areas of health and sanitation and public assistance, with final budget over expenditure variances of \$49.0 million and \$100.7 million, respectively. Overall, these expenditure variances primarily resulted from a lower demand for services than budgeted levels in the following areas:

- Un-awarded Mental Health Services Act and Alcohol and Drug Services contracts;
- Lower than anticipated growth trends in In-Home Supportive Services Individual Provider costs;
- Delayed start of contracts related to the Community Transformation Grant; and

 Lower than anticipated caseload levels, growth trends and unit cost per case for Foster Care and Aid to Adopted Parents programs.

Delayed Expenditures:

Many County projects, such as maintenance and information technology, take place over more than one fiscal year. However, at inception they are budgeted at full expected cost, resulting in budgeted over expenditure variances that are rebudgeted in the new fiscal year. For example, a positive expenditure variance of approximately \$3.7 million for the Vector Habitat Remediation Program and \$4.6 million associated with the project delay of a tree removal grant.

Management and Contingency Appropriations:

The County annually sets up management and contingency appropriations based on both ongoing general purpose revenues and prior years' fund balance for a variety of one-time capital and operating expenditures as well as potential Unexpended Management emergencies. Contingency Reserve appropriations resulted in budget over actual variances of \$26.8 million and \$20.0 million, respectively. Note that the Management Reserves are included within various functional activities.

Capital Assets and Commitments

Capital Assets

At June 30, 2013, the County's capital assets for both governmental and business-type activities were \$3.21 billion and \$168 million, respectively, net of accumulated depreciation/amortization. Investment in capital assets includes land, construction in progress, buildings and improvements, infrastructure (including roads, bridges, flood channels, and traffic signals), equipment, software and easements. Significant increases to capital assets in fiscal year 2013 included:

Governmental Activities:

- \$49.9 million towards construction of the Women's Detention Facility in Santee. Total project costs are estimated at \$203.6 million.
- \$29.9 million towards the construction and improvement of County maintained roads, bridges and other road related infrastructure.
- \$28.1 million towards acquisition of equipment.

- \$23.4 million towards the construction of the Registrar of Voters Building. Total project costs are estimated at \$74.1 million.
- \$23.1 million in infrastructure donated developers.
- \$15.6 million towards development of various software applications.
- \$14.6 million towards construction of the County Administration Center Waterfront Park. Total project costs are estimated at \$47.4 million.
- \$7 million towards various land acquisitions.
- \$6 million towards the construction of the Rancho San Diego Sheriff Station. Total project costs are estimated at \$15.4 million.
- \$4.8 million towards the construction of the East Mesa Detention Facility. Total project costs are estimated at \$38.1 million.
- \$3.1 million in land donations.
- \$2.3 million towards improvements at Sweetwater Lane Park. Total project costs are estimated at \$3.7 million.
- \$2.2 million towards improvements at the Agua Caliente Park. Total project costs are estimated at \$3.3 million.
- \$1.5 million towards improvements at the 4S Ranch Sports Park. Total project costs are estimated at \$1.6 million.
- \$1.3 million towards improvements at the Lincoln Acres Library and Community Center. Total project costs are estimated at \$3.6 million.
- \$1.3 million towards construction of the parking garage at Cedar and Kettner. Total project costs are estimated at \$36.1 million.

Business-type Activities:

- \$5.5 million towards sewer improvements at various locations.
- \$2.4 million towards improvements at Palomar Airport Taxiways.
- \$2 million towards improvements of various Airports

government-wide financial presentation, governmental funds depreciable capital assets are depreciated from the acquisition date to the end of the current fiscal year. Governmental funds financial statements record capital asset purchases as expenditures.

Capital Commitments

As of June 30, 2013, capital commitments included the following:

Governmental Activities:

• \$239 million for the construction of: Women's Detention Facility, East Mesa Detention Facility, Registrar of Voters Building, Waterfront Park, County Operations Center, Wing Avenue, County Roads, Rancho San Diego Sheriff Station, Pine Valley Sheriff Station, South Santa Fe Avenue, and development of the Integrated Property Tax System.

Business-type Activities:

• \$8.2 million for the construction of: Jamacha Pump Station, Borrego Valley Airport, Gillespie Field Airport, and Spring Valley Sewer.

(Please refer to Note 7 in the notes to the financial statements for more details concerning capital assets and capital commitments.)

Long-Term Liabilities

Governmental Activities:

At June 30, 2013, the County's governmental activities had outstanding long-term liabilities of \$2.02 billion.

Of this amount, approximately \$1.74 billion pertained to long-term debt outstanding. Principal debt issuances included: \$771 million in taxable pension obligation bonds; \$564 million in Tobacco Settlement Asset-Backed Bonds; and \$405 million in certificates of participation (COPs) and lease revenue bonds (LRBs).

Other long-term liabilities included \$157 million in claims and judgments; \$100 million in compensated absences; \$19 million for landfill postclosure costs; \$8 million in pollution remediation and \$152 thousand in capital leases.

During fiscal year 2013, the County's total principal amount of COPs and lease revenue bonds, other bonds, and loans for governmental activities decreased by \$44.377 million.

The \$44.377 million decrease was due to the following increases and decreases:

Increases to debt were \$37.689 million and included:

- \$29.335 million of fixed interest rate San Diego County Capital Asset Leasing Corporation Certificates of Participation, issued to fund the 2012 Cedar and Kettner Development Project;
- \$4.925 million of principal was accreted (added) to the outstanding Tobacco Settlement Asset-Backed Bonds' Capital Appreciation Bonds principal;
- \$2.385 million of principal was accreted (added) to the outstanding Taxable Pension Obligation Bonds' principal balances outstanding;
- \$1.006 million due to the effects of unamortized unamortized issuance premiums, issuance discounts, and unamortized deferred amounts on refundings; and,
- \$38 thousand of San Diego Gas and Electric On-bill Financina loans.

Decreases to debt were due to \$82.066 million in debt service payments.

Business-type Activities:

Long-term liabilities for business-type activities totaled \$1.470 million and consisted of \$1.046 million for capital loans and \$424 thousand for compensated absences.

Long-term liabilities for business-type activities decreased by \$264 thousand. This was due to a combination of \$267 thousand in debt service payments on capital loans and a net increase of \$3 thousand in compensated absences.

(Please refer to Notes 13 through 15 in the notes to the financial statements for more details concerning longterm debt; changes in long-term liabilities; and funds used to liquidate liabilities.)

Credit Ratings

The County's issuer and credit ratings on its bonded program are as follows:

Table 3

Credit	Ratings		
	Moody's	Standard & Poor's	Fitch
Issuer Rating	Aal	AAA	AAA
Certificates of Participation San Diego County Capital Asset Leasing Corporation (SANCAL)	Aa3	AA+	AA+
Certificates of Participation San Diego Regional Building Authority (SDRBA) Metropolitan Transit System Towers	Aa3	AA+	AA+
Lease Revenue Bonds SDRBA County Operations Center 1A	Aa3	AA+	AA+
Refunding Lease Revenue Bonds SDRBA San Miguel	Al	AA+	not rated
Pension Obligation Bonds	Aa3	AA+	AA+
Tobacco Settlement Asset-Backed Bonds - Series 2006A1 (Senior)	В1	BBB	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2006A2 (Senior)	В3	BB+	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2006A3 (Senior)	B2	B+	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2006B (First Subordinate)	not rated	CCC+	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2006C (Second Subordinate)	not rated	CCC	not rated
Tobacco Settlement Asset-Backed Bonds - Series 2006D (Third Subordinate)	not rated	CCC	not rated
San Diego County Redevelopment Agency Bonds	not rated	not rated	not rated

The County's issuer and lease financing ratings were affirmed in 2013 by Moody's Investors Service (Moody's), Standard and Poor's, and Fitch Ratings. Ratings on the County's pension obligation bonds were reaffirmed by Standard and Poor's and Fitch Ratings, but were lowered by Moody's in February 2013 (Aa2 to Aa3). This change in ratings was a part of a categorical action representing changed view of the distinction between the pledge supporting pension obligation bonds, and other unsecured general fund obligations, and general obligation bonds; Moody's view of the County's overall credit strength has not changed as demonstrated in its affirmation of the County's issuer and lease financing ratings. In the 2013 analyses of the County's credit, all three rating agencies referenced the County's strong financial management, broad and diverse economy, and low to moderate debt burden in their rationale for the assigned ratings.

Economic Factors and Next Year's Budget and Rates

- The fiscal year 2014 General Fund adopted budget sources for one-time utilizes as funding expenditures, \$132.5 million out of \$644.454 million in unassigned fund balance, and \$0.8 million out of \$464.831 million committed fund balance.
- The fiscal year 2014 General Fund adopted budget contains total appropriations of \$3.85 billion. This is an increase of \$134.1 million or 3.61% from the fiscal year 2013 General Fund adopted budget. A number of risk factors continue to be tracked closely: the state of the economy, which is improving at a slow rate, employment growth, continued recovery in the housing market, and the effect of the Affordable Care Act implementation.
- The U.S. economy's revised Gross Domestic Product (GDP) for 2012 increased by 2.8% compared to 1.8% increase for 2011. The Federal Open Market Committee met on July 30-31, 2013. According to the minutes of the July 30-31 meeting economic activity expanded at a modest pace during the first half of the year. Tighter federal fiscal policy, including cuts in government purchases and grants, restrained economic activity. While the revised GDP numbers in the first half of 2013 are lower than expected and lower than the 2012 annual rate, the Committee expects that real GDP will accelerate in the second half of the year and continue to strengthen in 2014 and 2015. However, state and local government purchases and construction expenditures continued to decrease and uncertainty remains about the effects of the federal spending sequestration. According to Moody's Analytics, economic data show the U.S. economy moving in the right direction, with employment reports pointing to a recovering labor market, housing prices heading higher and GDP surprises to the upside. Increased housing demand and high sales are expected in the coming months, with incomes rising and homebuyer confidence on the upswing (Source: Moody's Analytics: U.S. Chartbook: Upward momentum, August 5, 2013). However, the UCLA Anderson Forecast warns that the current recovery is not the high-growth recovery period that typically follows a recession, or at the levels needed to regain a normal longer term 3% growth trend. To get back to the previous growth trend, GDP would need to

- exceed 3% for an extended period of time. GDP is growing, but not growing rapidly enough to produce the additional jobs and governmental revenues needed for a high-growth recovery (Source: UCLA Anderson Forecast, June 2013).
- California's economy continues to recover from the impact of the recession. California's Gross State Product (GSP) fell more steeply than U.S. GDP during the recession, but outpaced the nation as a whole over each of the last two years. Since mid-2012, California has also outpaced the nation in year-over-year job growth (Source: Los Angeles County Economic Development Corporation, The Kyser Center for Economic Research: 2013-2014 Economic Forecast and Industry Outlook, February 2013 and Mid-Year Forecast, July 2013). In 2009 real personal income declined 5.9%, but since that time real personal income grew by 1.6% in 2010, 3.1% in 2011 and 1.9% in 2012. Taxable sales declined 14.3% in 2009, grew by 2.9% in 2010, by 6.9% in 2011 and are estimated to grow by 4.9% in 2012 (final taxable sales figures will not be available until early 2014). California's economy continues to recover from the steep recession. Nonfarm employment grew by 1.2% in 2011, by 2.1% in 2012 and is projected to grow by 2.0% in 2013 and 2.0% in 2014. In 2013, real personal income is expected to grow by 2.3% and improve further in 2014 by 3.5%. Taxable sales are predicted to increase by 0.3% in 2013 and 1.9% in 2014 (Source: UCLA Anderson Forecast, June 2013).
- San Diego certainly shared the pain of the recession along with the rest of Southern California. However, San Diego's economy is moving in the right direction. Job creation in San Diego will occur in 2013 across all private industry sectors (Source: Los Angeles County Economic Development Corporation, The Kyser Center for Economic Research: 2013-2014 Economic Forecast and Industry Outlook, July 2013). Another indicator of economic health is county taxable sales. Taxable sales began to decline overall in the county in 2007 and that trend continued to 2009. In 2010, taxable sales showed moderate growth which continued in 2011. Sales tax revenues for the region have shown continued improvement in 2012 and are expected to continue in 2013 and 2014. San Diego's median household income has experienced strong annual growth in recent years, but median household income actually declined from 2009 to 2011 due to

- high unemployment and constrained consumer spending. Median household income for 2012 is estimated to be 1.4% higher than 2011. Median home prices show significant improvement in June 2013 compared to June 2012 current indicators show that the economy continued to gradually improve during 2012. Stock prices, building permits, help wanted advertising, consumer confidence, and the national economy as measured by the Conference Board Index of Leading Economic Indicators were positive in July 2012.
- The state of the economy plays a significant role in the County's ability to fund and provide many of the services that county residents have come to expect. The real estate market, which impacts the County's general purpose revenue (GPR), is expected to show marginal improvement in June 2013 compared to June 2012. GPR is relied upon to fund local discretionary services, as well as to fund the County's share of costs for services that are provided in partnership with the State and federal government.

As discussed below, the County's GPR is projected to increase by 1.1% (with budgeted revenue of \$978.0 million in fiscal year 2014 compared to \$967.1 million budgeted in fiscal year 2013).

- The largest source of general purpose revenue is property taxes (\$523.6 million budgeted in fiscal year 2014), representing 53.5% of the total. For the past ten years, property tax growth has been high (5.7% average annual growth) due to the County's overall stable economy and healthy real estate market. In 2014, property taxes are budgeted to increase by \$13.1 million, or 0.2.6%, from the 2013 budget. The budgeted property tax revenue factors in the current commercial and residential real estate conditions as evidenced by the improving level of building permits; marginally improving median price of homes; the relatively low level of foreclosures; and the gradual improvement in total deeds recorded. Current property tax revenue consists of four components: secured property taxes, supplemental property taxes, current unsecured property taxes and current unsecured supplemental property taxes.
- The budgeted amount of current secured property tax revenue (\$503.6 million) assumes a net local assessed secured property value increase of 1.0%

- from the actual local assessed secured property value figure for 2013, and makes certain assumptions regarding the County's share of countywide property tax revenues, the delinquency rate, and the amount of tax roll corrections and refunds on prior year assessments. In fiscal year 2015, the projected amount of revenues from current secured property taxes also assumes a 1.0 increase in local assessed secured property values.
- Current supplemental property tax revenue (\$3.5 million budgeted in fiscal year 2014) is derived from net increases to the tax roll from either new construction or changes in ownership that occur subsequent to the January 1 lien date and are, therefore, more difficult to predict. The slowdown in new construction and the decline in real estate prices have been acutely felt in supplemental property tax revenues. In many change of ownership transactions, instead of a property owner being billed for an additional amount of property tax because the value of the property after the transaction is higher than the value as of the lien date, the property owner receives a refund because the value is lower than it was on the lien date. In fiscal year 2006, supplemental refunds countywide totaled \$4.0 million. They increased to \$6.2 million in fiscal year 2007, increased to \$15.0 million in 2008, and increased again to \$38.3 million in 2009. Supplemental refunds exceeded \$21.6 million in fiscal year 2010 and dropped to \$15.3 million in 2011. In fiscal year 2012, supplemental refunds actually increased to \$18.3 million. However, they are anticipated to decline gradually over time. Current supplemental property tax revenues were \$29.5 million in fiscal year 2006. They dropped to \$23.4 million in fiscal year 2007, to \$14.0 million in fiscal year 2008, to \$2.4 million in 2009, to \$1.9 million in 2010. In fiscal year 2011, current supplemental property tax revenues were \$3.9 million and they were \$3.5 million in 2012. The Adopted Operational Plan assumes that this weakness will continue through the next two fiscal years.
- Current unsecured property tax revenue (\$16.5) million budgeted in fiscal year 2014), remain unchanged from fiscal year 2013. It is forecasted based on trends and available information at the

- time the budget is developed. A marginally more conservative projection is used for Fiscal Year 2014-
- Current unsecured supplemental property tax revenue (\$0.1 million budgeted in fiscal year 2013) remains unchanged from fiscal year 2013. It is derived from supplemental bills that are transferred to the unsecured roll when a change of ownership occurs and a tax payment is due from the prior owner. Or, there may be a subsequent change in ownership following the initial change in ownership which occurs prior to the mailing of the initial supplemental tax bill. Historically, this revenue category has not been budgeted because the actual amount of revenue received has been low.
- Property tax in lieu of vehicle license fees (VLF) comprises 31.3% (an estimated \$306.6 million) of budgeted general purpose revenue in fiscal year 2014. This revenue source was established by the State in fiscal year 2005 to replace the previous distribution of vehicle license fees to local governments. The annual change in this revenue source is based on the growth or decline in the net taxable unsecured and local secured assessed value. A 1% increase is projected in the combined taxable unsecured and unsecured assessed value in fiscal year 2014 which is \$4.9 million higher than budgeted for fiscal year 2013.
- Teeter revenue represents 2.4% (an estimated \$23.9 million) of budgeted general purpose revenue. In fiscal year 1994, the County adopted the alternative method of secured property tax apportionment available under Chapter 3, Part 8, Division 1, of the Revenue and Taxation Code of the State of California (also known as the "Teeter Plan"). Under this plan, the County advances funds to participating entities to cover the unpaid (delinquent) taxes (the "Teetered Taxes"). The County's General Fund benefits from this plan by being entitled to future collections of penalties and interest that are also due once the delinquent taxes are paid. A legal requirement of the Teeter Plan requires the County to maintain a tax loss reserve fund to cover losses that may occur if delinquent taxes are not paid and the property goes into default and is sold for less than the outstanding taxes and assessments. Throughout the year, all interest and penalties collected on Teetered secured and supplemental property taxes are first deposited into the Teeter Tax Loss

- Reserve Fund. Any excess amounts above 25% of total delinquent secured taxes assessments may be transferred to the General Fund. For fiscal year 2014, collections from previous years' receivables are budgeted to decrease by \$2.7 million based on the size of the outstanding annual receivables and based on anticipated collection trends and market conditions. In fiscal year 2014, excess amounts from the Teeter Tax Loss Reserve Fund decreased from the \$21.0 million that was budgeted in fiscal year 2013 to \$15.1 million budgeted in fiscal year 2013. These revenues are projected to remain unchanged in fiscal year 2015.
- Sales and use tax revenue and in lieu local sales and use tax (\$23.9 million in fiscal year 2014) represents about 2.4% of budgeted general purpose revenue. These revenues are derived from taxable sales by retailers who sell or rent tangible personal property in unincorporated areas of the county or from use taxes from consumers who purchase tangible personal property from out of state. Use taxes are also imposed on the storage, use, lease or other consumption of tangible personal property at any time a sales tax has not been paid by the retailer. The growth in this funding source is generally impacted by population growth, new retail business formation and consumer spending trends. The in lieu local sales and use tax revenue replaces regular sales and use tax revenue with monies transferred from the Educational Revenue Augmentation Fund (ERAF) under the provisions of AB7 X1, one of the 2004 State budget bills. This legislation enabled the State to redirect one-quarter cent of the local sales and use tax to the state to repay up to \$15 billion in bonds authorized by Proposition 57 (March 2004) to help the State refinance its past debt. In turn, the redirected local sales and use tax revenues are replaced on a dollar-for-dollar basis countywide property tax revenues shifted back from the ERAF. This funding mechanism is known as the "triple flip."
- Sales and Use Tax revenue had been growing moderately from fiscal year 2007 through fiscal year 2008 in concert with population growth and new retail business formation in the unincorporated area. However, the recession, housing market declines, and unemployment trends impacted retail sales at the statewide, southern California

- and San Diego regional levels. Sales tax revenues started to improve during calendar year 2010 with year-over-year quarterly increases in all four quarters. This trend continued throughout 2011. However, during the last two quarters of 2012, Sales and Use Tax revenue in the unincorporated areas of the County declined compared to same quarters of the previous year. This was attributed to payment anomalies, business closures and the closure of San Onofre nuclear power plant. The amount of budgeted revenue in fiscal year 2014 is approximately \$0.5 million (2.0%) below the fiscal year 2013 budgeted revenue. Growth of \$0.7 million or 3.0% is projected for fiscal year 2015.
- Intergovernmental revenue (\$41.2 million budgeted in fiscal year 2014) is approximately 4.2% of the total GPR in fiscal year 2014 and represents funding the County receives various intergovernmental sources including Redevelopment Successor Agencies, the City of San Diego (pursuant to a Memorandum Of Understanding related to the County's Central Jail), the federal government (Payments in Lieu of Taxes (PILT) for tax-exempt federal lands administered by the Bureau of Land Management, the National Park Service, and the U.S. Fish and Wildlife Service), and the State of California (reimbursement to the County for the Homeowner's Property Tax Relief (HOPTR) program). The largest portion of this funding from redevelopment successor is agencies. Redevelopment agencies dissolved by the California legislature in ABx1 26 on June 28, 2011. The California Supreme Court upheld the constitutionality of the dissolution on December 29, 2011. The Court extended the date of dissolution to February 1, 2012. Based on Section 34183 of the Health and Safety Code, the county auditor-controller shall remit from the Redevelopment Property Tax Trust Fund to each local agency and school entity an amount of property tax revenues in an amount equal to that which would have been received under Section 33401, 33492.14, 33607, 33607.6, 33607.7 or 33676. Residual funds not allocated for specific purposes will be distributed to local taxing agencies under Section 34183 of the Health and Safety Code. The County General Fund and Library Fund, as affected taxing entities, receive a share of this tax distribution but this has not been included in the

projection for fiscal year 2014. No growth in intergovernmental revenue is projected for fiscal year 2015.

The County's Operational Plan for fiscal year 2014 and for fiscal year 2015 can be found on the internet at http://www.sdcounty.ca.gov/auditor/budinfo.html

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Auditor and Controller's Office, County of San Diego, located at 1600 Pacific Highway, San Diego, California 92101.



CTATEMENT OF NET POSITION				
STATEMENT OF NET POSITION June 30, 2013				
(In Thousands)				
	P	rimary Government		Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Commission of San Diego
ASSETS				
Pooled cash and investments	\$ 2,110,849	74,014	2,184,863	125,254
Cash with fiscal agents	26		26	
Investments with fiscal agents	336,533		336,533	10,100
Receivables, net	619,358	10,471	629,829	6,746
Property taxes receivables, net	113,287		113,287	
Internal balances	(80)	80		
Inventories	13,935	1	13,936	
Deposits with others	435		435	
Prepaid items	513		513	2
Deferred charges	11,565		11,565	
Restricted assets:				
Cash with fiscal agents	703		703	
Investments with fiscal agents	63,292		63,292	
Lease receivable	11,045		11,045	
Capital assets:				
Land, easements and construction in progress	563,053	27,373	590,426	
Other capital assets, net of accumulated depreciation/	2,650,044	141,103	2.791.147	
	1 1			1.40.100
Total assets LIABILITIES	6,494,558	253,042	6,747,600	142,102
	185,686	2,645	188,331	14,613
Accounts payable	50,280	2,645	50,526	14,613
Accrued payroll Accrued interest	24,983	240	24,983	
Unearned revenue	214,236	66	214,302	
Noncurrent liabilities:	214,230	00	214,302	
Due within one year	155,178	452	155,630	85
Due in more than one year	1,869,264	1,018	1,870,282	27
Total liabilities	2,499,627	4,427	2,504,054	14,725
NET POSITION	2,477,02/	4,427	2,304,034	14,723
Net investment in capital assets	2,861,061	167.430	3,028,491	
Restricted for:	2,001,001	167,430	3,020,491	
Creditors - Capital projects	2,637		2,637	
Grantors - Housing assistance	82,720		82,720	
Donations	3,265		3,265	
Laws or regulations of other governments:	0,200		0,200	
Future road improvements	123,020		123,020	
Construction, maintenance and other costs for justice,				
health, and social facilities and programs	55,556		55,556	
Defray administrative costs, other general restrictions	18,312		18,312	
Teeter tax loss	11,868		11,868	
Mental health	6,412		6,412	
Vector control	14,295		14,295	
Improvement and maintenance of recorded document systems	21,424		21,424	
Flood Control future drainage improvements	23,442		23,442	
Public safety activities	55,368		55,368	
Other purposes	201,536		201,536	
First 5 Commission of San Diego	201,000		201,000	127,377
Unrestricted	514,015	81,185	595,200	127,377
		248,615		107 277
Total net position	\$ 3,994,931	248,615	4,243,546	127,377

STATEMENT OF ACTIVITIES

For the year ended June (In Thousands)	e 30, 2013							
		Pre	ogram Revent	Jes	Net (Expense)	Revenue and	Changes in	Net Position
					Prima	ıry Governmer	nt	Component Unit
Functions/Programs:	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	First 5 Commission of San Diego
Governmental Activities:								
General government	\$ 240,409	98,205	106,589	9,404	(26,211)		(26,211)	
Public protection	1,236,708	244,612	468,108	161	(523,827)		(523,827)	
Public ways and facilities	135,432	16,744	79,144	23,163	(16,381)		(16,381)	
Health and sanitation	851,246	112,518	660,757		(77,971)		(77,971)	
Public assistance	1,183,923	16,515	1,141,098		(26,310)		(26,310)	
Education	34,104	874	4,546		(28,684)		(28,684)	
Recreation and cultural	34,204	7,307	7,724		(19,173)		(19,173)	
Interest	95,801				(95,801)		(95,801)	
Total governmental activities	3,811,827	496,775	2,467,966	32,728	(814,358)		(814,358)	
Business-type activities:								
Airport	14,107	11,077	4,933			1,903	1,903	
Sanitation district	22,936	18,564				(4,372)	(4,372)	
Wastewater management	5,754	6,561				807	807	
Total business-type activities	42,797	36,202	4,933			(1,662)	(1,662)	
Total primary government	3,854,624	532,977	2,472,899	32,728	(814,358)	(1,662)	(816,020)	
Component Unit:								
First 5 Commission of San Diego	\$ 53,495		36,338					(17,157)



Total general revenues

Change in net position

Net position at end of year

Total general revenues and transfers

Net position at beginning of year

Transfers

STATEMENT OF ACTIVITIES				
For the year ended June 30, 2013 (In Thousands)				
	Net (E)	kpense) Revenue ar	nd Changes in Net F	Position
		Primary Governmen	t	Component Unit
(Continued)	Governmental Activities	Business-type Activities	Total	First 5 Commission of San Diego
Changes in net position:				
Net (expense) revenue	\$ (814,358)	(1,662)	(816,020)	(17,157)
General Revenues				
Taxes:				
Property taxes	587,145		587,145	
Other taxes	20,912		20,912	
Property taxes in lieu of vehicle license fees	303,646		303,646	
Sales and use taxes	24,809		24,809	
Total general tax revenues	936,512		936,512	
Investment earnings	3,504	46	3,550	429
Other	90,789	123	90,912	

1,030,805

216,561

3,778,370

3,994,931

114

1,030,974

1,030,974

214,954

4,028,592

4,243,546

169

55

(114)

(1,607)

250,222

248,615

429

429

(16,728)

144,105 127,377

BALANCE SHEET GOVERNMENTAL FUNDS

June 30, 2013 (In Thousands)

(In Thousands)			Ŧ.,	0.11	T 1 1
		Public Safety	Tobacco Endowment	Other Governmental	Total Governmental
	General Fund	Fund	Fund	Funds	Funds
ASSETS					
Pooled cash and investments	\$ 1,441,132	41,570	8,622	381,554	1,872,878
Cash with fiscal agents	26				26
Investments with fiscal agents	2		336,531		336,533
Receivables, net	507,780	42,564	4,576	62,210	617,130
Property taxes receivables, net	112,833			454	113,287
Due from other funds	41,603			28,323	69,926
Inventories	11,219			1,323	12,542
Deposits with others				435	435
Prepaid items	88			425	513
Restricted assets:					
Cash with fiscal agents	158			545	703
Investments with fiscal agents				63,292	63,292
Lease receivable	4,818			6,227	11,045
Total assets	2,119,659	84,134	349,729	544,788	3,098,310
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	108,434			25,281	133,715
Accrued payroll	46,597			2,465	49,062
Due to other funds	41,568	28,757	2,359	15,162	87,846
Deferred revenues	114,826			44,603	159,429
Unearned revenue	206,812			6,676	213,488
Total liabilities	518,237	28,757	2,359	94,187	643,540
FUND BALANCES					
Nonspendable:					
Not in spendable form:					
Loans, due from other funds and prepaids	1,128			3,842	4,970
Inventories and deposits with others	11,219			1,758	12,977
Restricted for:	·			·	
Creditors - Debt service				76,368	76,368
Creditors - Capital projects				42,462	42,462
Grantors - Housing assistance	54,902			27,818	82,720
Donations	3,265				3,265
Laws or regulations of other governments:					,
Future road improvements				113,762	113,762
Construction, maintenance and other costs for justice,				1.10,7.02	1.107, 02
health, and social facilities and programs	55,556				55,556
Fund purpose		55,377		94,525	149,902
Other purposes	181,541			23,640	205,181
Committed to:					
Realignment health, mental health and social services	65,297				65,297
Unforeseen catastrophic events	55,500				55,500
Capital projects' funding	285,038			6,617	291,655
Health			347,370		347,370
Other purposes	58,996			59,809	118,805
Assigned to:					
Subsequent one-time expenditures	132,541				132,541
Other purposes	51,985				51,985
Unassigned	644,454				644,454
Total fund balances	1,601,422	55,377	347,370	450,601	2,454,770
Total liabilities and fund balances	\$ 2,119,659	84,134	349,729	544,788	3,098,310
. C. C C. Similo Carta Toria Dalarioos	Ψ 2,117,007	U-1,1U-1	5-7,727	3-1-,7 00	3,373,010

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2013 (In Thousands)

Total fund balances - governmental funds	\$ 2,454,770
Capital assets used in governmental activities (excluding internal service funds) are not current financial resources and,	
therefore, are not reported in the balance sheet. This amount represents capital assets net of accumulated depreciation	3,153,885
Unamortized issuance costs - bonds, notes and loans payable deferred charges (to be amortized over the life of the debt).	11,565
Accrued interest on long-term debt.	(24,980)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds and recognized as revenue in the statement of activities.	159,429
Long-term liabilities, including bonds, notes, and loans payable, are not due and payable in the current period and, therefore, are not reported in the balance sheet. (See Note 2 to the financial statements; Table 3 .)	(1,862,561)
Internal service funds are used by management to charge the costs of information technology, vehicle operations and maintenance, employee benefits, public liability, road and communications services, materials and supplies (purchasing), and facilities services to individual funds; to make loans for start-up services for new and existing county service districts; and for the financing of clothing and personal sundry items for persons institutionalized at various county facilities. The	
assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets. (See Note 2 to the financial statements; Table 3 .)	102,823
Net position of governmental activities	\$ 3,994,931

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ${\bf GOVERNMENTAL\ FUNDS}$

For the Year Ended June 30, 2013 (In Thousands)

(in inousanas)			Tabaaaa	OHlana	Today
		Public Safety	Tobacco Endowment	Other Governmental	Total Governmental
	General Fund	Fund	Fund	Funds	Funds
Revenues:					
Taxes	\$ 904,358			37,286	941,644
Licenses, permits and franchise fees	43,255			9,491	52,746
Fines, forfeitures and penalties	45,523			4,547	50,070
Revenue from use of money and property	12,785		820	8,313	21,918
Aid from other governmental agencies:					
State	1,057,850	237,733		78,683	1,374,266
Federal	816,640			129,716	946,356
Other	116,303			22,272	138,575
Charges for current services	336,888			29,554	366,442
Other	27,122			51,333	78,455
Total revenues	3,360,724	237,733	820	371,195	3,970,472
Expenditures:					
Current:					
General government	213,340		139	13,169	226,648
Public protection	1,178,229			9,619	1,187,848
Public ways and facilities	1,441			65,073	66,514
Health and sanitation	789,704			51,031	840,735
Public assistance	1,039,540			138,572	1,178,112
Education	948			31,086	32,034
Recreation and cultural	28,732			2,360	31,092
Capital outlay	17,599			148,138	165,737
Debt service:					
Principal	24,670			51,017	75,687
Interest	19,203			74,475	93,678
Bond issuance costs				393	393
Total expenditures	3,313,406		139	584,933	3,898,478
Excess (deficiency) of revenues over (under) expenditures	47,318	237,733	681	(213,738)	71,994
Other financing sources (uses):					
Sale of capital assets	71			5,926	5,997
Issuance of bonds and loans:					
Face value of bonds issued				29,335	29,335
Premium on issuance of bonds				574	574
Transfers in	263,203			197,728	460,931
Transfers out	(196,867)	(224,667)	(24,189)	(26,460)	(472,183)
Total other financing sources (uses)	66,407	(224,667)	(24,189)	207,103	24,654
Net change in fund balances	113,725	13,066	(23,508)	(6,635)	96,648
Fund balances at beginning of year	1,487,847	42,311	370,878	457,371	2,358,407
Increase (decrease) in nonspendable inventories	(150)			(135)	(285)
Fund balances at end of year	\$ 1,601,422	55,377	347,370	450,601	2,454,770

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2013 (In Thousands)

Net change in fund balances - total governmental funds	\$	96,648
Governmental funds accrue property tax revenue which is deemed collectible within 60 days. However, for the statement of activities the total amount estimated to ultimately be collected is accrued.	t	(5,132)
Revenues that do not provide current financial resources are not reported as revenues in the funds (deferred revenue) but are recognized as revenue in the statement of activities.	+	5,986
Adjustment to nonspendable inventories.		(285)
Change in accounting estimate for postclosure costs - (public protection function) - San Marcos landfill.		107
Accounting estimate for pollution remediation		(406)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. (See Note 2 to the financial statements; Table 4 .)	;	48,777
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position. (See Note 2 to the financial statements; Table 4 .)		24,543
The issuance of long-term debt (e.g. bonds, notes, and loans) provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the		51 /5/
statement of activities. (See Note 2 to the financial statements; Table 4 .)		51,656
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (See Note 2 to the financial statements; Table 4 .)		(10,463)
Internal service funds are used by management to charge the costs of centralized services to individual funds. The net revenue (or expense) of internal service funds is reported within governmental activities. (See Note 2 to the financial statements; Table 4 .)		5,130
Change in not position, approximantal activities	¢	017.571
Change in net position - governmental activities	\$	216,561

STATEMEN'	T OF NET	POSITION
PROPRIE	TARY	FUNDS

June 30, 2013

	Business-type Activities	Governmental Activities
	Enterprise Funds	Internal Service Funds
ASSETS		
Current assets:		
Pooled cash and investments	\$ 74,014	237,97
Receivables, net	6,621	1,187
Due from other funds	325	24,266
Inventories	1	1,393
Total current assets	80,961	264,81
Noncurrent assets:		
Due from other funds	3,850	30
Capital assets:		
Land	11,565	
Construction in progress	15,808	30
Buildings and improvements	113,942	
Equipment	890	137,33
Software		13,35
Road infrastructure	6,449	
Sewer infrastructure	96,165	
Accumulated depreciation/amortization	(76,343)	
Total noncurrent assets	172,326	
Total assets	253,287	
LIABILITIES		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Current liabilities:		
Accounts payable	2,645	51,97
Accrued payroll	246	1
Accrued interest		,,
Due to other funds	687	
Unearned revenue	66	1
Loans payable	279	· ·
Capital lease payable	2,,	3
Compensated absences	173	
Claims and judgments	170	36,42
Total current liabilities	4,096	
Noncurrent liabilities:	4,070	77,20
Loans payable	767	1,96
Capital lease payable	7 67	11
Compensated absences	251	1,34
Claims and judgments	251	120,13
Total noncurrent liabilities	1,018	
Total liabilities	5,114	
NET POSITION	5,114	220,79
	1.77.420	E0.0/
Net investment in capital assets	167,430 80,743	
Unrestricted net position		
Total net position	\$ 248,173	103,26

Reconciliation between net position - enterprise funds and net position of business-type activities as reported in the government-wide statement of net position	
Total net position	\$ 248,173
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	442
Net position of business-type activities	\$ 248,615

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION $\mbox{\bf PROPRIETARY FUNDS}$

For the Year Ended June 30, 2013

(In Thousands)		
	Business-type Activities	Governmental Activities
	Enterprise Funds	Internal Service Funds
Operating revenues:		
Charges for current services	\$ 36,202	332,789
Other	126	6,084
Total operating revenues	36,328	338,873
Operating expenses:		
Salaries and employee benefits	7,310	36,823
Repairs and maintenance	6,064	30,621
Equipment rental	1,177	345
Sewage processing	14,462	
Contracted services	5,328	178,643
Depreciation/amortization	5,327	13,626
Utilities	291	22,268
Cost of material		6,615
Claims and judgments		45,875
Fuel		14,007
Other	2,371	5,835
Total operating expenses	42,330	354,658
Operating income (loss)	(6,002)	(15,785)
Nonoperating revenues (expenses):		
Grants	4,933	4,068
Investment earnings	46	139
Interest expense	(74)	(229)
Gain (loss) on disposal of assets	(487)	238
Total nonoperating revenues (expenses)	4,418	4,216
Income (loss) before capital contributions and transfers	(1,584)	(11,569)
Capital contributions		5,424
Transfers in	358	15,485
Transfers out	(472)	(4,119)
Change in net position	(1,698)	5,221
Net position at beginning of year	249,871	98,044
Net position at end of year	\$ 248,173	103,265

Reconciliation between change in net position - enterprise funds and change in net position of business-		
type activities as reported in the government-wide statement of activities		
Change in net position	\$	(1,698)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		91
Change in net position of business-type activities	\$	(1,607)

STATEMENT OF CASH FLO	SWC
PROPRIETARY FUNI	DS

For the Year Ended June 30, 2013

(In Thousands)		
	Business-type Activities	Governmental Activities
	Enterprise Funds	Internal Service Funds
Cash flows from operating activities:	Lineipiise ronas	101103
Cash received from customers	\$ 30,318	14,380
Cash received from other funds	6,433	324,333
Cash payments to suppliers	(27,507)	(218,250)
Cash payments to employees	(7,294)	(36,842)
Cash payments to other funds	(2,449)	, ,
' '	(2,447)	(31,234)
Cash paid for claims and judgments		(24,043)
Other payments Not each provided (weed) by operating activities	(400)	(6)
Net cash provided (used) by operating activities	(499)	28,338
Cash flows from noncapital financing activities:	1 000	4 000
Operating grants	1,822	4,298
Transfers from other funds	358	15,485
Transfers to other funds	(472)	(4,119)
Payments received on advances to other funds		15
Principal paid on long-term debt		(895)
Interest paid on long-term debt		(151)
Proceeds from loans		38
Net cash provided (used) by noncapital financing activities	1,708	14,671
Cash flows from capital and related financing activities:		
Capital contributions		106
Acquisition of capital assets	(8,341)	(16,587)
Proceeds from sale of assets		1,077
Principal paid on long-term debt	(267)	
Principal paid on capital lease		(33)
Interest paid on long-term debt	(74)	(82)
Net cash provided (used) by capital and related financing activities	(8,682)	(15,519)
Cash flows from investing activities:		
Investment earnings	205	156
Net increase (decrease) in cash and cash equivalents	(7,268)	27,646
Cash and cash equivalents - beginning of year	81,282	210,325
Cash and cash equivalents - end of year	74,014	237,971
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(6,002)	(15,785)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Decrease (increase) in accounts receivables	463	79
Decrease (increase) in due from other funds	(30)	(829)
Decrease (increase) in inventory	1	166
Increase (decrease) in accounts payable	(115)	15,489
Increase (decrease) in accrued payroll	13	31
Increase (decrease) in due to other funds	(150)	(2,311)
Increase (decrease) in unearned revenue	(9)	165
Increase (decrease) in compensated absences	3	(6)
Increase (decrease) in claims and judgments		17,713
Depreciation/amortization	5,327	13,626
Total adjustments	5,503	44,123
Net cash provided (used) by operating activities	(499)	28,338
Non-cash investing and capital financing activities:		1,100
Capital acquisitions included in accounts payable	1,767	1,662
Disposal of capital assets	(487)	,,,,,,

Held in trust for pool participants Held in trust for private purpose

Total held in trust (deficit)

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS				
June 30, 2013 (In Thousands)			County of San	
		Pooled vestments - estment Trust Funds	Diego Successor Agency Private Purpose Trust Fund	Agency Funds
ASSETS		runus	FUNG	Agency runds
Pooled cash and investments	\$	4,033,418	1,962	347,479
Cash with fiscal agents	ľ	, ,	,	752
Investments with fiscal agents			1,155	
Receivables:				
Accounts receivable			2	406
Investment earnings receivable		2,969	1	6,035
Due from other government agencies			42	
Other receivables		417		
Deferred charges			300	
Total assets		4,036,804	3,462	354,672
LIABILITIES				
Accounts payable		300		18,295
Warrants outstanding				178,657
Accrued payroll				6
Accrued interest			62	
Noncurrent liabilities:				
Due within one year			413	
Due in more than one year			13,064	
Due to other funds			4,891	
Due to other governments				157,714
Total liabilities		300	18,430	354,672
NET POSITION				

4,036,504

4,036,504

\$

(14,968)

(14,968)

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS		
For the Year Ended June 30, 2013 (In Thousands)		
(III III Cosultus)	ed Investments - vestment Trust Funds	County of San Diego Successor Agency Private Purpose Trust Fund
ADDITIONS		
Contributions:		
Contributions to investments	\$ 6,853,750	
Total contributions	6,853,750	
Investment earnings:		
Net increase (decrease) in fair value of investments	(14,024)	(19)
Investment earnings	12,960	12
Total investment earnings	(1,064)	(7)
Property taxes - Successor Agency Redevelopment Property Tax Trust Fund distribution		2,271
Total additions	6,852,686	2,264
DEDUCTIONS		
Administrative expenses		73
Distributions from investments	6,418,117	
Contributions to other agencies		3,762
Interest		618
Total deductions	6,418,117	4,453
Change in net position	434,569	(2,189)
Net position at beginning of year	3,601,935	(12,779)
Net position (deficit) at end of year	\$ 4,036,504	(14,968)

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(Amounts expressed in thousands unless otherwise noted)

NOTE 1

Summary of Significant Accounting Policies

The Reporting Entity

The County of San Diego (the "County" or "CoSD"), is a political subdivision of the State of California (the "State") and as such can exercise the powers specified by the Constitution and laws of the State of California. The County operates under a charter and is governed by an elected five-member Board of Supervisors (the "Board").

The County provides a full range of general government services including police protection, detention and correction, public assistance, health and sanitation, recreation, library, flood control, public ways and facilities, inactive waste management, airport management and general financial and administrative support.

The County reporting entity includes all significant organizations, departments, and agencies over which the County is considered to be financially accountable. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationships with the County. As required by generally accepted accounting principles in the United States of America (GAAP), the financial statements present the financial position of the County and its component units.

These are entities for which the County is considered to be financially responsible and has a potential financial benefit/burden relationship.

Blended component units, although legally separate entities are, in substance, part of the County's operations and data from these component units are combined with the data from the primary government.

A discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County.

Blended Component Units

The blended component units listed below are agencies and special districts whose governing board is the County Board of Supervisors. The County Board of Supervisors therefore has the ability to impose its will.

These component units have a direct financial benefit/ burden relationship with the County, are fiscally dependent on the County, and as such financial actions including the setting of rates, issuance of debt and the adoption of the annual budget remain with the County.

Air Pollution Control District (APCD) - The APCD was established to protect the people and the environment from the harmful effects of air pollution. Air quality is continuously monitored throughout the San Diego Air Basin, and programs are developed to bring about the emission reductions necessary to achieve clean air. The APCD issues permits to limit air pollution, ensures that air pollution control laws are followed, and administers funding that is used to reduce regional mobile source emissions. APCD is reported as a special revenue fund.

County of San Diego In-Home Supportive Services Public Authority (IHSSPA) - The IHSSPA was established to assist eligible low-income elderly and persons with disabilities in San Diego County to live high quality lives in their own homes. The IHSSPA program is mandated by the State. As the employer of record, IHSSPA recruits, screens, and trains home care workers who are available to assist eligible consumers in their own homes. IHSSPA is reported as a special revenue fund.

County Service Area Districts (CSAD) - The CSADs were established to provide authorized services such as road, park, fire protection and ambulance to specific areas in the County. They are financed by ad valorem property taxes in the area benefited or by special assessments levied on specific properties. The CSADs are reported as special revenue funds.

Flood Control District (FCD) - The FCD was established to provide flood control in the County's unincorporated area. It is financed primarily by ad valorem property taxes and charges to property owners. The FCD is reported as a special revenue fund. Lighting Maintenance District (LMD) - The LMD was established to provide street and road lighting services to specified areas of the County. Revenue sources include ad valorem taxes, benefit fees, state funding and charges to property owners. The LMD is reported as a special revenue fund.

San Diego County Housing Authority (SDCHA) - The SDCHA was established to provide decent housing in a suitable environment for individuals who cannot afford standard private housing. Contracts with the U.S.

(Amounts expressed in thousands unless otherwise noted)

Department of Housing and Urban Development provide the major funding sources. SDCHA is reported as a special revenue fund.

Sanitation District (SD) - The SD was established to construct, operate and maintain reliable and sustainable sanitary sewer systems. Revenue sources include charges to property owners and grants. The SD is reported as an enterprise fund.

Blended component units governed by boards other than the CoSD Board of Supervisors are listed below. These component units are, in substance, part of the County's operations due to their relationship with the County and the nature of their operations. Specifically, the CoSD Board appoints either all or a majority of their board members and the services they provide solely benefit the County.

San Diego County Capital Asset Leasing Corporation (SANCAL) - SANCAL was established to finance the acquisition of County buildings and equipment. It is a nonprofit corporation governed by a five-member Board of Directors, which is appointed by the CoSD Board. SANCAL financial activities are reported in a debt service fund and a capital projects fund.

San Diego County Tobacco Asset Securitization Corporation (SDCTASC)) - The SDCTASC was created under the California Nonprofit Public Benefit Corporation Law and was established to purchase tobacco settlement payments allocated to the County from the State of California, pursuant to a Tobacco Master Settlement Agreement.

SDCTASC is governed by a Board of Directors consisting of three members, two of which are employees of the County and one independent director who is not an employee of the County. The SDCTASC is reported as a special revenue fund.

San Diego Regional Building Authority (SDRBA) - The SDRBA was established under the Mark-Roos Local Bond Pooling Act of 1985 and authorized to issue bonds for the purpose of acquiring and constructing public capital improvements and to lease them to its members, the County and the San Diego Metropolitan Transit Development Board (MTDB). The services provided by the SDRBA to the MTDB are insignificant.

The SDRBA is governed by a Commission consisting of three members, two of which are County Supervisors appointed by the County Board of Supervisors and concurrently serve on the Board of Directors of the San Diego Trolley, Inc and the Board of Directors of MTDB. The third Commissioner is a member of MTDB and is

appointed by the MTDB Board. The SDRBA's financial activities are reported in a debt service fund and a capital projects fund.

The Tobacco Securitization Joint Powers Authority of Southern California (TSJPA) - The TSJPA was created by a joint exercise of powers agreement between the County and the County of Sacramento pursuant to Government Code Sections 6500 et seg. The TSJPA's purpose is to finance a loan to the San Diego County Tobacco Asset Securitization Corporation (the Corporation) via the sale of tobacco asset-backed bonds. The Corporation in turn uses the loan proceeds to purchase the County's future tobacco settlement revenues under a purchase and sale agreement. The TSJPA is administered by a Board of Directors consisting of three members, two members who are appointed by the CoSD Board and the third member is appointed by the Sacramento County Board of Supervisors. The TSJPA is reported as a special revenue fund.

Separately issued financial reports of the County's blended component units can be obtained from the County Auditor and Controller's Office located at 1600 Pacific Highway, Room 166, San Diego, California 92101.

Discrete Component Unit

The First 5 Commission of San Diego (Commission) was established by the Board as a separate legal entity under the authority of the California Children and Families First Act and Sections 130100 et seq. of the Health and Safety Code. The Commission administers the County's share of tobacco taxes levied by the State for the purpose of implementing early childhood development programs. The County appoints all of the Commission's board and can remove appointed members at will.

The Commission is discretely presented because its Board is not substantively the same as the County's, and it does not provide services entirely or almost entirely to the County. A separately issued financial report can be obtained by writing to The First 5 Commission, 1495 Pacific Highway, Suite 201, (MS-A211), San Diego, CA, 92101-6466.

Financial Reporting Structure

Basic Financial Statements

The basic financial statements include both government-wide financial statements and fund financial statements. The reporting model, based on

(Amounts expressed in thousands unless otherwise noted)

GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments," focuses on the County as a whole in the government-wide financial statements and major individual funds in the fund financial statements.

Government-Wide Financial Statements

The government-wide financial statements (statement of net position and statement of activities) display information about the County as a whole and the change in aggregate financial position resulting from the activities of the fiscal period, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the County (including its blended component units) as well as its discretely presented component unit. In the statement of net position, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reflected on a full accrual, economic resource basis, which incorporates capital assets as well as long-term debt and obligations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and are not eliminated in the process of consolidation. All internal balances in the statement of net position have been eliminated, with the exception of those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the primary government total column. The statement of activities presents functional revenue and expenses of governmental activities and business-type activities. Governmental activities, which normally are supported by taxes intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of activities, internal service funds' revenue and expenses related to interfund services have been eliminated. Revenue and expenses related to services provided to external customers have not been eliminated and are presented within governmental activities.

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are

intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation and cultural activities. The business-type activities of the County include airport, sanitation, and wastewater management.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The fund financial statements are presented after the government-wide financial statements. They display information about major funds individually and in the aggregate for governmental and proprietary funds. In governmental and fiduciary funds, assets and liabilities are presented in order of relative liquidity. In proprietary funds, assets and liabilities are presented in a classified format that distinguishes between all current and noncurrent assets and liabilities. Current assets in the classified format are those considered available to generate or use cash within twelve months of the end of the fiscal period. Examples include cash, various receivables and short-term investments. All other assets are considered noncurrent. Current liabilities are obligations to be paid within the next fiscal year. Examples include payables and the current portion of long-term liabilities.

Major individual governmental funds are reported as separate columns in the fund financial statements and are presented on a current financial resources and modified accrual basis of accounting. Separate fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The County reports the following major governmental funds:

(Amounts expressed in thousands unless otherwise noted)

The General Fund is the County's primary operating fund. It accounts for and reports all financial resources of the County not accounted for and reported in another fund. Revenues are primarily derived from taxes; licenses, permits and franchises; fines, forfeitures and penalties; use of money and property; intergovernmental revenues; charges for services; and other revenues. Expenditures are expended for functions of general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation and cultural activities. Expenditures also include capital outlay and debt service.

The Public Safety Special Revenue Fund accounts for Proposition 172 half-cent sales taxes collected and apportioned to the County by the State Board of Equalization and are restricted for funding public safety activities. Per Government Code Section 30052, a "maintenance of effort" (pre-Proposition 172 public safety funding level) must be maintained by the County to comply with the statute's spending requirements. In accordance with the Code, these funds are allocated to the Sheriff, District Attorney and Probation departments. Transfers out of this fund subsidize the following types of public safety activities: juvenile detention services; facilities maintenance and support; capital projects, equipment and other onetime expenditures; on-going technology initiatives; and various region-wide services.

The Tobacco Endowment Special Revenue Fund accounts for tobacco settlement payments allocated to the County from the State of California, pursuant to the Master Settlement Agreement concluded on November 23, 1998 between the major tobacco companies and 46 states (including California), the District of Columbia and four U.S. Territories. According to Board of Supervisors Policy E-14, tobacco settlement monies are to be used for healthcare-based programs.

The County reports the following additional funds and fund types:

Enterprise Funds account for airport, sanitation district and wastewater management activities, including operations and maintenance, sewage collection and treatment services.

Internal Service Funds account for the financing of public works and communications equipment; the financing of materials and supplies (purchasing); start up services for new and existing County service

districts; the County's public liability and employee benefits activities; the financing of fleet services; facilities management activities; the financing of information technology services; and the financing of clothing and personal sundry items for persons institutionalized at various county facilities. Goods or services provided by servicing County departments are paid for on a cost reimbursement basis by receiving departments.

The following fiduciary funds account for resources that are held by the County as a trustee or agent for outside parties and cannot be used to support the County's programs.

Pooled Investments - Investment Trust Funds account for investment activities on behalf of external entities and include the portion of the County Treasurer's investment pool applicable to external entities. general, external entities include school districts, independent special districts and various other governments.

County of San Diego Successor Agency Private Purpose Trust Fund is a fiduciary fund type used by the County to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities, and activities of the County of San Diego Successor Agency; formed pursuant to California Assembly Bill ABx1 26.

Agency Funds are custodial in nature, do not involve measurement of results of operations and account for assets held by the County as an agent for various local governments, organizations and individuals. Included are funds for child support payments; payroll taxes; public administrator and public guardian accounts; and apportioned taxes for other local governments.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

(Amounts expressed in thousands unless otherwise noted)

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are susceptible to accrual when measurable and available. Sales taxes, investment earnings, state and federal grants, and charges for services are accrued when their receipt occurs within 180 days following the end of the fiscal year. Property taxes are accrued if they are collectible within 60 days after the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due. General capital assets acquisitions and principal payments on general long-term debt are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds and internal service funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities, and Net Position or Fund **Balance**

Cash and Investments

The County's cash and cash equivalents for cash flow reporting purposes are considered to be cash on hand, demand deposits, restricted cash, and investments held in the County's Investment Pool (the "Pool").

The Pool is available for use by all funds. Each fund type's portion of the Pool is displayed on the statements of net position/balance sheets as "pooled cash and investments." The share of each fund's pooled cash and investments account is separately accounted for and interest earned, net of related expenses, is apportioned quarterly based on the fund's average daily balance in proportion to the total pooled cash and investments based on amortized cost. \$820 thousand of interest earned by certain funds has been assigned to and reported as revenue of another fund. For fiscal year 2013, the General Fund was assigned \$651 thousand and the Other Governmental Funds were assigned \$151 thousand.

Investments are stated at fair value. The fair value of investments is determined monthly and is based on quoted market prices.

Receivables and Payables

The major receivables for governmental and businesstype activities are taxes, due from other governmental agencies and loans. All property taxes and accounts receivable are shown net of an allowance for uncollectibles (\$11.162 million and \$1.852 million, respectively). Activities between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are interfund loans. All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in government-wide financial statements as "internal balances."

Noncurrent interfund receivables between funds are reported as a nonspendable fund balance account in applicable governmental funds.

Secured property taxes are levied based upon the assessed valuation as of the previous January 1st, (lien date) and the tax levy is recorded on July 1st (levy date). They are payable in two equal installments due on November 1st and February 1st and are considered delinquent with ten percent penalties after December 10th and April 10th, respectively. An additional penalty of one and one-half percent per month begins to accrue on July 1st and November 1st on delinquent secured property taxes. Unsecured property taxes are due as of the January 1st lien date and become delinquent, with 10 percent penalties, after August 31st. An additional penalty of one and one-half percent per month begins to accrue on October 31st on delinquent unsecured property taxes.

(Amounts expressed in thousands unless otherwise noted)

Governmental funds' property tax revenues are recognized in the fiscal year for which they are levied, provided they are due within the fiscal year and collected within 60 days after the fiscal year end. Property tax revenues are also recognized for unsecured and supplemental property taxes that are due at year end, and are collected within 60 days after the fiscal year end, but will not be apportioned until the next fiscal year due to the timing of the tax apportionment schedule.

County Leased Property

The County and its blended component units lease real property to the private sector and other governmental agencies. Direct financing lease receivables are shown as restricted assets on the government-wide statement of net position governmental activities and governmental funds balance sheets. Revenue from direct financing and non-cancelable operating leases is reported in the applicable government-wide statement of activities governmental activities, governmental funds statements of revenues, expenditures, and changes in fund balances and proprietary funds, statements of revenues, expenses, and changes in net position, as applicable.

Inventories and Prepaid Items

Inventories include both inventories on hand for sale and consumable inventories. Inventories are valued at average cost. They are accounted for as expenditures at the time of purchase and reported in governmental funds as an asset with an offsetting nonspendable amount. Proprietary fund types are carried at average cost and are expended when consumed. Prepaid items reflect payments for costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements, with expenditures recorded when consumed. Inventories and prepaid items recorded in the governmental funds are not in spendable form and thus, an equivalent portion of fund balance is reported as nonspendable.

Deferred Charges

Bond issuance costs are deferred and amortized over the life of the bonds using the straight-line method. In the government-wide financial statements, deferred charges are reported as assets in the governmental activities.

Capital Assets

Capital assets are of a long-term character and include: land, easements, buildings improvements, construction in progress, equipment, software and infrastructure.

Infrastructure assets include roads, bridges and sewers.

Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. Capital assets with original unit costs equal to or greater than the capitalization thresholds shown in Table 1 are reported in the applicable governmental activities or business-type activities columns in the government-wide financial statements.

Table 1	
Capitalization Thresholds	
Land	\$ 0
Easements	50
Buildings and improvements	50
Equipment	5
Software	50-100
Infrastructure	25-50

Depreciation and amortization are charged over the capital assets' estimated useful lives using the straightline method for proprietary and governmental fund types. Governmental fund type depreciation and amortization are only shown in the statement of activities. Proprietary fund type depreciation and amortization are shown both in the fund statements and the government-wide statement of activities. Estimated useful lives are shown in **Table 2**.

Table 2	
Estimated Useful Lives	
Buildings and improvements	10-50 years
Equipment	5-20 years
Software	3-10 years
Infrastructure	10-50 years

Deferred and Unearned Revenue

Under both the accrual and the modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for unearned revenue.

(Amounts expressed in thousands unless otherwise noted)

Unearned revenue can be found in government-wide financial reporting as well as in the governmental, proprietary, and fiduciary funds' financial statements.

Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. Revenue must also be susceptible to accrual, it must be both measurable and available to finance expenditures of the current fiscal period. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred revenue. This type of deferred revenue is unique to governmental funds, since it is tied to the modified accrual basis of accounting, which is used only in connection with governmental funds.

Lease Obligations

The County leases various assets under both operating and capital lease agreements. In the government-wide and proprietary funds financial statements, capital lease obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary funds statement of net position.

Long-Term Obligations

Long-term liabilities reported in the statement of net position include the amount due in one year (current) and the amount due in more than one year (noncurrent).

General long-term liabilities consist of the noncurrent portion of claims and judgments, compensated absences, landfill post closure and other noncurrent liabilities. General long-term liabilities are not reported as liabilities in governmental funds but are reported in the governmental activities column in the government-wide statement of net position. General long-term debt is not limited to liabilities arising from debt issuances but may also include noncurrent liabilities on other commitments that are not current liabilities properly recorded in governmental funds.

Debt may be issued at par (face) value, with a premium (applicable to debt issued in excess of face value) or at a discount (applicable to debt issued at amounts less than the face value). Occasionally, the County also refunds some of its existing debt. When this occurs, the difference between the funds required to retire (reacquisition price of) the refunded debt and the net carrying amount of refunded debt results in a deferred amount on refunding.

In the government-wide financial statements and proprietary fund financial statements, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Deferred issuance costs are reported as deferred charges and amortized over the term of the debt.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized during the current period. The face amount of the debt issued and premiums are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Capital Appreciation Bonds (CABs) issued by the County represent bonds that are issued at a deep discount, pay no current interest but accrete or compound in value from the date of issuance to the date of maturity. CABs are presented at their maturity value less the unaccreted appreciation. Unaccreted appreciation represents the difference between the maturity value of the debt and their par (face) value. The unaccreted appreciation is accreted as interest over the life of the CABs.

Employees' Compensated Absences

The County's policy is to permit employees to but earned unused vacation, accumulate compensatory time, holiday and sick leave benefits. Each of these benefits is subject to certain limits based on employee class, except for sick leave and compensatory time that is subject to Fair Labor Standards Act (FLSA) rules or the California Labor All vacation pay and a certain portion of Code. compensatory and sick pay for specified employee classes is accrued in the government-wide and proprietary funds financial statements. Except for specified employee classes, there is no liability for unpaid accumulated sick leave since the County does not cash out unused sick leave when employees separate from service with the County. However, employees eligible for retirement benefits that meet minimum balance requirements may apply unused sick leave toward determining their length of service for the purpose of calculating retirement benefits.

(Amounts expressed in thousands unless otherwise noted)

Accumulated leave benefits including vacation, sick leave, and compensatory time worked are recorded in the government-wide statement of net position. Amounts recorded as accumulated leave benefits include the employer's share of Social Security and Medicare taxes. These amounts would not be expected to be liquidated from expendable available financial resources, but would be expected to be liquidated in future years as employees elect to use these benefits as prescribed by Civil Service rules and regulations.

County employees in the unclassified service and certain employees hired prior to 1979 may receive up to 50% and 25%, respectively, of the cash value of all or a portion of their sick leave balances upon termination or retirement. The cash value of these benefits is included in the accumulated leave benefits noted above. This liability has been recorded in the current and long-term portion of compensated absences in the appropriate proprietary funds and governmentwide statement of net position.

California Labor Code Section 4850 entitles safety officers who meet certain criteria to receive full salary in lieu of temporary disability payments for the period of disability, not exceeding 365 days, or until such earlier date as he or she is retired on permanent disability pension. This liability is accrued in the current and long-term portion of compensated absences.

All County employees who have completed at least five years of continuous service in the County retirement system, and have a sick leave balance of at least one hundred hours, may convert, at retirement, all or a portion of their sick leave balance to retirement service credits on a hour-for-hour basis. The conversion of these balances to retirement service credits is included in the County's actuarial accrued liability, as part of the annual actuarial valuation which includes assumptions regarding employee terminations, retirement, death, etc.

General Budget Policies

An operating budget is adopted each fiscal year by the Board of Supervisors for the governmental funds. The annual resolution adopts the budget at the object level of expenditures within departments. Annual budgets are not required to be adopted for the Tobacco Securitization Joint Special Revenue Fund; and the Debt Service and Capital Projects Funds

(other governmental funds). Please refer to the notes to required supplementary information for more details regarding the County's general budget policies.

Fund Balance

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. These classifications include: nonspendable; restricted; and the unrestricted classifications of committed, assigned and unassigned. When both restricted and unrestricted resources are available for use, fund balance is generally depleted by restricted resources first, followed by unrestricted resources in the following order: committed, assigned and unassigned. The fund balance classifications are defined as follows: Nonspendable fund balance - amounts that cannot

be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Restricted fund balance - amounts with constraints placed on their use that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws regulations of other governments; or (b) imposed by law through constitutional provisions or enabling leaislation.

Committed fund balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Supervisors. The Board of Supervisors may establish fund balance commitments by adoption of an ordinance, resolution, or formal board action memorialized by minute orders as may be required by law. All are equally binding. Those committed amounts cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned fund balance - amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the highest level of decision making authority (the Board of Supervisors), or by a body or official to which the governing body has delegated

Notes to the Financial Statements (Amounts expressed in thousands unless otherwise noted)

the authority to assian amounts to be used for specific purposes. In the County, the intent is generally expressed by the Board of Supervisors.

Unassigned fund balance - the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Net Position

Net investment in capital assets, consists of capital assets net of accumulated depreciation reduced by the outstanding principal of capital related debt (adjusted by any unamortized premiums, discounts, deferred amounts on refundings, and unspent proceeds related to debt), incurred by the County to buy or construct capital assets shown in the statement of net position. Capital assets cannot readily be sold and converted to cash.

Restricted net position consists of restricted assets reduced by liabilities related to those assets. Constraints placed on net position are externally imposed by creditors, grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enablina leaislation. Enabling legislation authorizes the government to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

Indirect Costs

County indirect costs are allocated to benefiting departments and are included in the program expense reported for individual functions and activities. Cost allocations are based on the annual County-wide Cost Allocation Plan which is prepared in accordance with Federal Office of Management and Budget Circular A-87.

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results could differ from those estimates.

(Amounts expressed in thousands unless otherwise noted)

NOTE 2

Reconciliation of Government-Wide and Fund Financial Statements

Balance Sheet/Statement of Net Position

Explanations of certain differences between the governmental funds balance sheet and the government-wide statement of net position are detailed below:

Table 3		
Governmental Funds Balance Sheet / Government-Wide Statement of Net Position Reconciliation		
At June 30, 2013	11	
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. The details of this \$(1,862,561) difference are as follows:		
Bonds, notes and loans payable		
Certificates of participation and lease revenue bonds	\$	(405,010)
Taxable pension obligation bonds		(770,530)
Tobacco settlement asset-backed bonds		(564,230)
Loans - non-internal service funds		(2,260)
Unamortized issuance premiums (to be amortized as interest expense)		(13,079)
Unamortized issuance discounts (to be amortized as interest expense)		13,050
Unamortized deferred amounts on refundings (to be amortized as interest expense)		5,389
Compensated absences (excluding Internal Service Funds)		(98,223)
Landfill postclosure - San Marcos landfill		(19,358)
Pollution remediation		(8,310)
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	\$	(1,862,561)
Internal Service Funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position. The details of this \$102,823 difference are as follows:		
Net position of the internal service funds	\$	103,265
Less: Internal payable representing charges in excess of cost to business-type activities - prior years		(351)
Less: Internal payable representing charges in excess of cost to business-type activities - current year		(91)
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$	102,823

Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities

Explanations of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities are detailed below:

changes in tona balances and me geveniment wide statement of delivines are detailed below		
Table 4		
Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances		
and the Government-Wide Statement of Activities Reconciliation		
For the Year Ended June 30, 2013		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those ass heir estimated useful lives and reported as depreciation/amortization expense. The details of this \$48,777 difference ar		
Capital outlay	\$	165,73
Depreciation/amortization expense		(116,960
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net positio		40.77
governmental activities	\$	48,77
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to ncrease net position. The details of this \$24,543 difference are as follows:		
The proceeds from the sale of capital assets provide current financial resources but have no effect on net position	\$	(5,997
The loss on the disposal of capital assets does not affect current financial resources but decreases net position		(1,361
The gain on the disposal of capital assets does not affect current financial resources but increases net position		5,45
Donations of assets to the County do not provide current financial resources but resources increase net position		26,44
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net positio		0.4.5.4
governmental activities	\$	24,54
nowever, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discou when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of difference are as follows: Debt issued or incurred:		
Bonds issued	\$	(29,335
Plus: Premium	Ψ	(27,555
Less: Issuance costs		39:
Principal repayments		75,68
Accreted interest paid		5,48
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net positio	n	
governmental activities	\$	51,65
some expenses reported in the statement of activities do not require the use of current financial resources and therefor are not reported as expenditures in governmental funds. The details of this \$(10,463) difference are as follows:	е	
Compensated absences	\$	(1,942
Accrued interest		35
Accretion of capital appreciation bonds		(7,310
Amortization of premiums		1,15
Amortization of discounts		(1,075
Amortization of deferred amounts on refundings		(507
Amortization of issuance costs		(1,138
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net positio governmental activities	n \$	(10,463
nternal Service Funds. The net revenue (or expense) of certain activities of internal service funds is reported with govern The details of this \$5,130 difference are as follows:	nmental	activities.
Change in net position of the internal service funds	\$	5,22
Less: Loss from charges to business activities	Ψ	(91
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net positio	n	1, 1
governmental activities	\$	5,130

(Amounts expressed in thousands unless otherwise noted)

NOTE 3

Deposits and Investments

The Treasurer is responsible for authorizing all County bank accounts and pursuant to Government Code Sections 27000.1 - 27000.5, 27130 - 27137, and 53600 -53686 is responsible for conducting County investment activities of the County's investment pool (the Pool) as well as various individual investment accounts outside of the Pool. Additionally, the Treasurer has oversight responsibilities for investments with fiscal agents.

The Pool is a County sponsored "external investment pool" wherein moneys of the County and other legally separate external entities, which are not part of the County Reporting Entity, are commingled (pooled) and invested on the participants' behalf.

Pursuant to Sections 27130-27137 of the California Government Code, the Board of Supervisors has established the Treasury Oversight Committee ("TOC") that monitors and reviews the Investment Policy. The TOC consists of members appointed from the districts or offices that they represent, and up to five members of the public, having expertise in, or an academic background in public finance. This Committee requires a financial audit to be conducted annually on a fiscal year basis, which includes limited tests of compliance with laws and regulations. The Investment Pool is not registered with the Securities and Exchange Commission ("SEC") as an investment company. The Investment Pool does not have any legally binding guarantees of share values.

A separately issued annual financial report for the Pool can be obtained from the Treasurer-Tax Collector at 1600 Pacific Highway, Room 152, San Diego, California, 92101 and can also be accessed at http:// www.sdtreastax.com.

Total pooled cash and investments totaled \$6,692,976 consisting of: \$6,598,663 investments in the County pool; \$77.935 million in demand deposits; \$15.856 million of collections in transit; and, \$522 thousand in imprest cash.

Deposits

Government Code Section 53652 et. seq. and the Treasurer's Pool Investment Policy (Pool Policy) prescribe the amount of collateral that is required to secure the deposit of public funds.

Federal Depository Insurance (FDIC) is available for funds deposited at any one financial institution up to a maximum of \$250,000 for demand deposits, time and savings deposits. The aforementioned Government Code and Pool Policy require that depositories collateralize public funds with securities having a market value of at least 10% in excess of the total amount of the deposits. These securities shall be placed in the institution's pooled collateral account and monitored by the State Treasurer of California or a mutually agreed upon third party custodian bank.

Custodial Credit Risk - Deposits

The custodial credit risk for deposits is the risk that the County will not be able to recover deposits that are in the possession of an outside party. Deposits are exposed to custodial credit risk if they are not insured or collateralized.

The Investment Pool does not have a formal policy regarding sweep (deposit) accounts, but the practice is to utilize national or state chartered banks where the excess over FDIC insurance is invested in repurchase agreements that are collateralized by U.S. Treasury and Federal Agency securities equal to or greater than the deposit amount in accordance with California Government Code.

California Government Code Section 53652 et. seq. requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law. At June 30, 2013, the County's deposits were not exposed to custodial credit risk as these deposits were either covered by FDIC insurance or collateralized with securities held by a named agent depository as noted below:

a. Cash in banks is defined as short-term, highly liquid deposits with an original maturity of three months or less. At year-end, the carrying amount of the Investment Pool's deposits was \$77.935 million, and the bank balance at June 30, 2013 was \$77.883 million, consisting of demand deposits with various financial institutions. The difference between the carrying amount and the bank balance includes temporary reconciling items such as cash on hand, outstanding checks, and deposits in transit. Of the bank balance, \$250 thousand was covered by federal deposit insurance and \$77.633 million was collateralized with securities held by a named agent depository on behalf of the Investment Pool as required by California Government Code Section 53656. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

Notes to the Financial Statements (Amounts expressed in thousands unless otherwise noted)

b. The carrying amount of demand deposits with Fiscal Agents (outside of the Pool) was \$1.481 million and the bank balance per various financial institutions was \$1.820 million. Of the total bank balance, \$844 thousand was covered by federal deposit insurance and \$976 thousand was collateralized by a named agent depository.

Investments

Government code Section 53601 governs the types of investments that may be purchased and makes certain restrictions on investment maturity, maximum portfolio percentages, term, value, credit quality and timing to minimize the risk of loss.

Permitted types of investments and financial instruments include: U.S. treasuries, Federal agencies, and local agency obligations; registered treasury notes or bonds of all 50 states; banker's acceptances; commercial paper; negotiable certificates of deposit; repurchase agreements; reverse repurchase agreements; medium-term notes; collateralized certificates of deposit; money market mutual funds; mortgage pass-through securities; mortgage backed securities; mortgage collateralized obligations; and shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7.

Investments in the Investment Pool are stated at fair value. Securities, which are traded on a national exchange, are valued at the last reported sales price at current exchange rates. The fair value of investments is determined monthly and is provided by the custodian bank. Repurchase agreements and institutional money market funds are carried at portfolio book value (carrying cost). All purchases of investments are accounted for on a trade-date basis. Unrealized gains or losses of securities are determined by taking the difference between amortized cost and the fair value of investments. Realized gains and losses on investments that were held in more than one fiscal year and sold in the current year were included as a change in the fair value of investments reported in the prior year(s) and the current year.

In addition to the above, the Board annually adopts a Pooled Money Fund Investment Policy. This policy is based on the criteria in Government Code Section 53601 but adds further specificity and restrictions to permitted investments.

No policies have been established for investments with fiscal agents, however, moneys held by trustees on behalf of the County may generally only be invested in permitted investments specified in trustee or indenture agreements.

In conjunction with the discussion below concerning investment risks, please refer to Tables 7 and 8 respectively, which provide details on pooled investments and those held with fiscal agents at fiscal year-end. Additionally, Table 9 provides a comparison of Investment Pool policy restrictions with Government Code Section 53601 requirements.

Interest Rate Risk - Investments

This is the risk that changes in interest rates will adversely affect the fair value of an investment.

Declines in the fair value of investments are managed by limiting the length of the maturity of securities. In general, the maximum maturity allowed is five years unless the Board has granted express authority either specifically or as part of an investment program. The policy related to the maturity structure of the Investment Pool requires at least 25 percent of securities to mature within 90 days, and at least 50 percent of securities to mature within one year, and no more than 50% of securities to mature within one to five years. In addition, the Investment Pool limits the maximum effective duration of the portfolio to 18 months. As of June 30, 2013, the Investment Pool was in full compliance with its own more restrictive Investment Policy, and therefore was also in compliance with California Government Code. Actual weighted average days to maturity by investment type is presented in Table 7.

California Government Code Section 53601 indicates where the Code does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment.

(Amounts expressed in thousands unless otherwise noted)

Generally, investments with fiscal agents are structured in such a way that securities mature at the times and in the amounts that are necessary to meet scheduled expenditures and withdrawals.

Credit Risk - Investments

This is the risk that an issuer or other counterparty to an investment may not fulfill its obligations.

The Investment Pool's Investment Policy, which is more restrictive than the Government Code, places a minimum standard on the ratings of investments held in the Investment Pool. Investments in securities other than those guaranteed by the U.S. Treasury or Government Sponsored Enterprises must have a credit rating of no less than "A" for long -term or "A1" for short term. Non-rated securities include sweep accounts, collateralized certificates of deposit and repurchase agreements. Sweep accounts and collateralized certificates of deposit must be FDIC insured and collateralized with securities held by a named agent of depository. Repurchase agreements collateralized by securities, authorized by California Government Code section 53601, having a fair market value of at least 102% of the amount of the repurchase agreement. Credit quality based on Standard and Poor's Fund Credit Quality Rating is noted below and on **Table 7**.

Table 5 S & P Investment Rating								
o a r invesiment	Investment Pool	Investments with Fiscal Agents						
	III ve siii ie iii i ooi	riscui Ageilis						
Overall credit rating	AAAf/S1	riscui Ageilis						
Overall credit rating Short-term		A-1						

Concentration of Credit Risk - Investments

This is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

The Investment Policy limits the amount of exposure to any one single issuer to the percentages listed in **Table** 9. As noted in **Table 9**, the Investment Pool's Investment Policy is more restrictive, in most cases, than the California Government Code. As of June 30, 2013, all Pool investments were in compliance with State law and with the Investment Policy.

The Investment Pool's holdings of the securities of the Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC)

issued by agencies that remain under conservatorship by the Director of the Federal Housing Agency. The U.S. government does not guarantee, directly or indirectly, the securities of the Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), FNMA, or FHLMC. The Investment Pool's investments in FHLB, FFCB, FNMA and FHLMC securities as of June 30, 2013 comprised 23.5%, 7.0%, 20.5%, and 12.6% of the total County Investment Pool's investments, respectively.

No general policies have been established to limit the amount of exposure to any one single issuer, however, moneys held by trustees on behalf of the County may generally only be invested in permitted investments specified in trustee or indenture agreements. Instruments in any one issuer that represent 5% or more of the County investments with fiscal agents by individual major fund or nonmajor funds in the aggregate at June 30, 2013 are shown in Table 6.

Table 6 Concentration of Credit Risk - Investments With Fiscal Agents									
Issuer		obacco dowment Fund	Percent		lonmajor vernmental Funds	Percent			
BlackRock MuniFund	\$	27,000	8						
Federal home loan mortgage corporation				\$	34,152	54			
Federal national mortgage association					14,458	23			
Federated treasury obligation					13,665	22			

Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of the investment or collateral securities that are in the possession of another party.

The investment policy requires securities, not insured by FDIC insurance, including appropriate collateral, placed with an independent third party for custodial safekeeping. Securities purchased by the County Investment Pool are held by a third-party custodian, the Bank of New York Mellon Corporation, in their trust department to mitigate custodial credit risk.

Notes to the Financial Statements (Amounts expressed in thousands unless otherwise noted)

Foreign Currency Risk - Investments

This is the risk that investments are exposed to foreign currency risk. The County's investments do not have any foreign currency risk as all investments are in U.S. dollar-denominated assets.

			Table 7					
Pooled Investments								
At June 30, 2013								
	ı	-air Value	Book Value	Interest Rate Range	Maturity Range	Weighted Average Maturity (days)	S&P Rating	% of Portfolio
US government agencies:								
Federal home loan mortgage corporation notes	\$	833,227	832,150	0.16% - 5.00%	9/13 - 8/17	773	A-1+/AA+	12.63%
Federal home loan bank notes		1,549,588	1,548,182	0.13% - 5.50%	7/13 - 6/18	300	A-1+/AA+	23.48%
Federal national mortgage association notes		1,353,335	1,362,208	0.10% - 5.00%	7/13 - 4/18	818	A-1+/AA+	20.51%
Federal farm credit bank notes		462,371	462,531	0.15% - 0.30%	7/13 - 6/14	143	A-1+/AA+	7.01%
US treasury notes		245,818	245,565	0.50% - 4.50%	8/13 - 5/18	1068	AA+	3.73%
Repurchase agreement		22,159	22,159	0.02%	07/13	1	AA+	0.34%
Commercial paper		1,024,733	1,024,881	0.12% - 0.17%	7/13 - 9/13	31	A-1/A-1+	15.53%
Money market mutual funds		127,325	127,325	0.01% - 0.05%	07/13	40	AAA	1.93%
Negotiable certificates of deposit		945,002	945,002	0.10% - 0.19%	7/13 - 10/13	33	A-1/A-1+	14.32%
Bond funds		35,105	35,000	0.34%	07/13	445	AA	0.52%
Total investments	\$	6,598,663	6,605,003			398		100.00%

Notes to the Financial Statements (Amounts expressed in thousands unless otherwise noted)

			Table 8				
Investments with Fiscal Agents At June 30, 2013			Tubic o				
	Fe	air Value	Interest Rate Range	Maturity Range	Weighted Average Maturity (days)	S&P Rating 9	% of Portfolio
County investments with fiscal agents							
Unrestricted:							
Fixed income tax exempt bonds	\$	18,054	5% - 5.13%	8/22 - 2/28	4366	Α	4.52%
Fixed income tax exempt bonds		12,920	5.00%	6/18 - 7/23	2637	A+	3.23%
Fixed income tax exempt bonds		41,253	5% - 7%	2/15 - 12/28	3288	AA	10.32%
Fixed income tax exempt bonds		27,432	0% - 5.75%	4/20 - 1/34	4344	AA-	6.86%
Fixed income tax exempt bonds		114,700	0% - 5.25%	12/14 - 11/36	3133	AA+	28.69%
Fixed income tax exempt bonds		50,856	5% - 5.25%	7/13 - 2/28	2769	AAA	12.72%
Fixed income tax exempt bonds		2,338	5.25%	11/29	5982	BBB+	0.58%
Fixed income tax exempt bonds		41,980	5% - 6.38%	7/16 - 2/33	4160	NR	10.50%
MuniFunds		27,000	0.02%	8/13	39	AAA	6.75%
Subtotal		336,533					
Restricted:							
Federal national mortgage association notes		14,458	2.75% - 4.63%	2/14 - 10/14	299	AA+	3.62%
Federal home loan mortgage corporation discount notes		34,152	0.00%	11/13	148	NA	8.54%
Money market mutual funds		14,682	0% - 0.01%	8/13	52-57	AAA	3.67%
Subtotal		63,292					
Total County investments with fiscal agents		399,825					100.00%
Private Purpose investments:							
Money market mutual funds		1,155	0.01%	8/13	52	AAA	100.00%
Total Private Purpose investments		1,155					100.00%
Total investments with fiscal agents	\$	400,980				_	

Table 9 Investment Pool Policy Restrictions versus California Government (Gov) Code Section 53601 Requirements									
	Maximun	Maximum Maturity N		of Portfolio		um % with One Issuer Min		Minimum Rating	
Investment Type	Gov. Code	Pool Policy	Gov. Code	Pool Policy	Gov. Code	Pool Policy	Gov. Code	Pool Policy	
US Treasury obligations	5 years	5 years	None	None	None	None	None	None	
Agency obligations	5 years	5 years	None	None	None	35%	None	None	
Local agency obligat									
ions	5 years	5 years	None	15%	None	10%	None	Α	
Bankers' acceptances	180 days	180 days	40%	40%	30%	5%	None	A-1	
Commercial paper (1)	270 days	270 days	40%	40%	10%	5%	Α	Α	
Negotiable certificates of deposit	5 years	5 years	30%	30%	None	5%	None	Α	
Repurchase agreements	1 year	1 year	None	40%	None	(2)	None	None	
Reverse repurchase agreements	92 days	92 days	20%	20%	None	10%	None	None	
Corporate medium-term notes	5 years	5 years	30%	30%	30%	5%	Α	Α	
Money market mutual funds	N/A	N/A	20%	15%	10%	10%	AAAm	AAAm	
Bond funds	N/A	N/A	None	2.5%	None	2.5%	None	None	
Pass-through securities (3)	5 years	5 years	20%	20%	None	5%	A/AA	A/AA	

- (1) Government Code Section 53635 (a)(1-2) specifies percentage limitations for this security type for county investment pools.
- (2) Maximum exposure per issue The maximum exposure to a single Repurchase Agreement (RP) issue shall be 10% of the portfolio value for RP's with maturities greater than 5 days, and 15% of the portfolio for RP's maturing in 5 days or less. The maximum exposure to a single broker/dealer of Repurchase Agreements shall be 10% of the portfolio value for maturities greater than 5 days, and 15% of the portfolio value for maturities of 5 days or less.
- (3) Rating of "A" required for issuer, if rated; and rating of "AA" required for issue.

Restricted Assets

Restricted assets include monies or other resources required to be set aside to repay principal and interest under debt covenants; and to comply with other legal or contractual requirements. For fiscal year 2013 restricted assets were as follows:

Table 1	10		
Fund	Con	gal or tractual irements Co	Debt ovenants
General Fund	\$	158 \$	4,818
Nonmajor Governmental Funds			
Housing Authority Special Revenue Fund		545	
Tobacco Securitization Joint Special Revenue Fund			47,817
Pension Obligation Bonds Debt Service Fund			7
San Diego Regional Building Authority Debt Service Fund	/		17,157
SANCAL Debt Service Fund			4,538

NOTE 5

Receivables

Details of receivables reported in the governmentwide Statement of Net Position are presented in **Table** 11. Amounts that are not expected to be collected within the next fiscal year are identified below:

Due from Other Governmental Agencies Governmental activities - \$61.421 million.

This amount represents Senate Bill (SB) 90 cost reimbursements due the County for the provision of State mandated programs and services mostly for fiscal years prior to 2004. The State Constitution requires reimbursement for these costs and interest will accrue on the reimbursement claims until they are paid according to Government Code Section 17617 over a period not more than 15 years beginning in fiscal year 2007. The State began to reimburse the County for these programs and services in fiscal year 2007, but has not budgeted appropriations in the current year.

Loans - Governmental activities-\$69.245 million

This amount includes: \$35.128 million in housing rehabilitation loan programs for low-income or special need residents, and loans for low income housing down payments; \$27.307 million in community development block grant loans; \$3.417 million in low

(Amounts expressed in thousands unless otherwise noted)

income housing developers loans; a \$1.120 million loan related to the sale of land to fund the future replacement or the County's Health and Human Services Agency public health clinic; \$1.232 in other loans; and \$1.041 million owed to the General Fund from the County of San Diego Successor Agency Private Purpose Trust Fund as a result of a loan to provide funding for project improvements for the Upper San Diego River Project. At the fund level, in the General Fund, this loan is presented as "Due From Other Funds". See Note 8 to the financial statements, "Interfund Balances".

Loans-Business-type activities-\$6.828 million

This amount includes \$2.978 million in Airport Enterprise Fund (AEF) loans to Airport lessees for the purchase of AEF reversionary interests in leasehold improvements existing at the expiration of previous leases; and \$3.850 million owed to the AEF from the County of San Diego Successor Agency Private Purpose Trust Fund as a result of a loan to fund airport projects. In the Airport Enterprise Fund, this loan is presented as "Due From Other Funds". See Note 8 to the financial statements. "Interfund Balances".

	Table 11
Receivables	
Primary Government and Discretely Prese	nted Component Unit
At June 30, 2013	•
·	Due From

A1 30110 00, 2010				Due From						
	Δ	ccounts	Investment Earnings	Other Government Agencies	Loans	Other	Total Receivables	Allowance For Doubtful Accounts	Red	ceivables Net
Governmental activities:				/ igeneres	100110	0	NOCON GENERAL	71000011113		110.
General Fund	\$	8,331	1,158	441,728	56,022	541	507,780		\$	507,780
Public Safety Special Revenue Fund				42,564			42,564			42,564
Tobacco Endowment Fund			4,576				4,576			4,576
Other Governmental Funds		24,529	970	26,467	12,096		64,062	(1,852)		62,210
Internal Service Funds		335	148	603	86	15	1,187			1,187
Total governmental activities - fund level	\$	33,195	6,852	511,362	68,204	556	620,169	(1,852)	\$	618,317
Add: loan receivable from the County of San Diego Successor Agency Private Purpose Trust Fund					1,041		1,041			1,041
Total governmental activities - Statement of Net Position	\$	33,195	6,852	511,362	69,245	556	621,210	(1,852)	\$	619,358
Business-type activities:										
Enterprise Funds	\$	54	59	3,530	2,978		6,621		\$	6,621
Add: loan receivable from the County of San Diego Successor Agency Private Purpose Trust Fund					3,850		3,850			3,850
Total business-type activities - Statement of Net Position	\$	54	59	3,530	6,828		10,471		\$	10,471
Component Unit:										
First 5 Commission of San Diego	\$			6,746			6,746		\$	6,746

NOTE 6

County Property on Lease to Others

The County's blended component unit - SDRBA has a direct financing lease with the San Miguel Consolidated Fire Protection District (District) for two District fire stations. Additionally, the County has a sublease of a share of the Metropolitan Transit System (MTS) Towers. The share of the County's property under the MTS Towers' sub lease is an estimated \$12.74 million in structures and improvements with accumulated

depreciation of \$6.2 million at June 30, 2013. The lease revenue received by the SDRBA and the County for the year ended June 30, 2013 was approximately \$750 thousand and \$891 thousand, respectively.

The County also has noncancelable operating leases for certain properties which are not material to the County's governmental operations. Additionally, the Airport Enterprise Fund derives a substantial portion of its revenues from noncancelable operating leases with

air carriers and concessionaires. The Airport Enterprise Fund's property under operating leases includes an estimated \$2.48 million in land at June 30, 2013.

Lease revenue from noncancelable operating leases for the year ended June 30, 2013 was approximately \$17.24 million. Future minimum lease payments to be received under the direct financing noncancelable operating leases are noted in Table 12.

	Toh	la 12							
Table 12 Lease Revenue County Property Leased To Others									
Couliny Property Let		ect Financin	g						
Fiscal Year		Leases	Ор	erating Leases					
2014	\$	1,626	\$	17,632					
2015		1,637		13,014					
2016		1,624		11,797					
2017		1,627		10,671					
2018		1,632		10,384					
2019 - 2023		2,899		45,811					
2024 - 2028				40,959					
2029 - 2033				37,979					
2034 - 2038				25,969					
2039 - 2043				16,094					
2044 - 2048				12,398					
2049 - 2053				10,023					
2054 - 2058				5,844					
2059 - 2063				3,722					
2064 - 2068				1,631					
Total	\$	11,045	\$	263,928					

NOTE 7

Capital Assets

Changes in Capital Assets

Increases and decreases in the County's capital assets for governmental and business-type activities during the fiscal year were as follows:

	Ta	ble 13						
Capital Assets - 0								
•	Beginning							
	Balance at July 1,			Balance at June 30,				
	2012	Increases	Decreases					
Capital assets, not be	eing depreci	ated/amor	tized:					
Land	\$ 380,608	11,587	(128)	\$ 392,067				
Easements	6,852	597		7,449				
Construction in progress	208,126	120,733	(165,322)	163,537				
Total capital assets, not being								
depreciated/ amortized	595,586	132,917	(165,450)	563,053				
Capital assets, being	depreciated	d/amortized	d:					
Buildings and	1 220 042	155 470	(/07)	1 405 007				
improvements	1,330,943	155,470 28,108	(607)	1,485,806				
Equipment Software	50,340	11,514	(21,892)	265,403 58,793				
Road infrastructure		49,849		•				
	2,489,011	47,047	(1,432)	2,537,428				
Bridge infrastructure	68,861	3,210		72,071				
Total capital assets, being depreciated/								
amortized	4,198,342	248,151	(26,992)	4,419,501				
Less accumulated de	epreciation/	amortizatio	n for:					
Buildings and improvements	(336,677)	(29,162)	579	(365,260)				
Equipment	(153,610)	(21,753)	20,519	(154,844)				
Software	(21,153)	(10,447)	2,998	(28,602)				
Road infrastructure	(1,132,751)	(67,891)	286	(1,200,356)				
Bridge infrastructure	(19,062)	(1,333)		(20,395)				
Total accumulated depreciation/		· · ·						
amortization	(1,663,253)	(130,586)	24,382	(1,769,457)				
Total capital assets, being depreciated/								
amortized, net	2,535,089	117,565	(2,610)	2,650,044				
Governmental activities capital								
assets, net	\$ 3,130,675	250,482	(168,060)	\$ 3,213,097				

(Amounts expressed in thousands unless otherwise noted)

	Ta	ble 14						
Capital Assets - B	usiness-ty	pe Activ	rities					
•	Beginning							
	Balance at July 1,			Balance at June 30,				
	2012	Increases	Decreases					
Capital assets, not be	ing deprec	iated:						
Land	\$ 11,565			\$ 11,565				
Construction in								
progress	11,640	10,025	(5,857)	15,808				
Total capital assets,								
not being depreciated	23.205	10,025	(5,857)	27,373				
Capital assets, being			(3,037)	27,373				
Buildings and	depreciale	u.						
improvements	113,990	21	(69)	113,942				
Equipment	1,110	81	(301)	890				
Road infrastructure	6,449		, ,	6,449				
Sewer infrastructure	91,038	5,836	(709)	96,165				
Total capital assets,			. , ,					
being depreciated	212,587	5,938	(1,079)	217,446				
Less accumulated de	preciation f	or:						
Buildings and								
improvements	(33,187)	(3,274)	25	(36,436)				
Equipment	(926)	(31)	296	(661)				
Road infrastructure	(361)	(167)	0.40	(528)				
Sewer infrastructure	(37,131)	(1,855)	268	(38,718)				
Total accumulated depreciation	(71 (05)	(5,327)	589	(76,343)				
Total capital assets,	(71,605)	(3,327)	309	(70,343)				
being depreciated,								
net	140,982	611	(490)	141,103				
Business-type			· , ,					
activities capital								
assets, net	\$ 164,187	10,636	(6,347)	\$ 168,476				

Depreciation/Amortization

Depreciation/amortization expense was charged to governmental activities and business-type activities as shown below.

Table 15										
Depreciation/Amortization Expense - Governmental										
Activities										
General government	\$	9,757								
Public protection		24,353								
Public ways and facilities		68,806								
Health and sanitation		7,422								
Public assistance		1,844								
Education		1,743								
Recreation and cultural		3,035								
Internal Service Funds		13,626								
Total	\$	130,586								

Table 16		
Depreciation Expense - Business	-type Activitie	s
Airport Fund	\$	3,368
Sanitation District Fund		1,941
Wastewater Management Fund		18
Total	\$	5,327

Capital and Other Commitments

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting is used in the governmental funds. Encumbrances outstanding at year end do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year or years. Encumbered amounts for specific purposes for which amounts have not been previously restricted, committed, or assigned are included within committed or assigned fund balance, as appropriate. At June 30, 2013, the County General Fund's outstanding encumbrances totaled \$337.023 million while the Public Safety Fund's outstanding encumbrances totaled \$3.606 million. Nonmajor governmental funds' outstanding encumbrances totaled \$27.247 million.

At June 30, 2013, major contracts entered into for structures and improvements and other commitments within governmental and business-type activities are noted in **Table 17**.

Table 47	
Table 17	
Capital Commitments	
At June 30, 2013	Remaining
	Commitments
Governmental Activities	
General Fund:	
Construction of Women's Detention Facility	\$ 109,230
Construction of East Mesa Detention Facility	29,748
Construction of Registrar of Voters Building	25,074
Construction of Waterfront Park	24,701
Development of Integrated Property Tax System	24,051
Construction of County Operations Center Phase 18	7,841
Construction of Rancho San Diego Sheriff's Station	•
Construction of Pine Valley Sheriff's Station	2,531
Subtotal	227,245
Nonmajor Governmental Funds:	227,240
Flood Control Improvement to Wing Avenue	5,519
Improvement to County Roads	4,855
Construction of South Santa Fe Ave.	1,454
Subtotal	11,828
Governmental Activities Subtotal	239,073
Business-type Activities	
Enterprise Funds:	
Construction of Jamacha Pump Station	2,738
Improvement to Borrego Valley Airport Runway	2,062
Improvement to Gillespie Field Airport Access Road	1,549
Sanitation District Sewer Improvement in Spring Valley	1,869
Business-Type Activities Subtotal	8,218
Total	\$ 247,291
	T 2,2/1

NOTE 8 Interfund Balances

Interfund balances at fiscal year-end consisted of the following amounts:

Table 18											
	erfund Balances June 30, 2013					DUE FROM					
			eneral und	Public Safety	Tobacco Endowment	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	Private Purpose Trust Fund	Total	
	General Fund	\$		28,757	2,359	5,789	110	3,547	1,041 \$	41,603	
2	Nonmajor Governmental		19,548			8,079	197	499		28,323	
DUET	Nonmajor Enterprise		42			1	282		3,850	4,175	
겁	Internal Service		21,978			1,293	98	927		24,296	
	Total	\$	41,568	28,757	2,359	15,162	687	4,973	4,891 \$	98,397	

(Amounts expressed in thousands unless otherwise noted)

Descriptions of amounts not due to be repaid in the subsequent year are discussed below:

- a) \$45 thousand is due to the Special District Loans Internal Service Fund from the County Service District Special Revenue Funds as a result of a loan to improve and maintain County roads. Loan repayments are made from property tax collections. \$30 thousand of the balance is not scheduled to be collected in the subsequent year.
- b) \$1.041 million is due to the General Fund from the County of San Diego Successor Agency Private Purpose Trust Fund (Upper San Diego River Project) as a result of a loan to provide funding for Project improvements.
- c) \$3.850 million is due from the County of San Diego Successor Agency Private Purpose Trust Fund to the Airport Enterprise Fund as a result of a loan to fund airport projects.

For further discussion of the loans to the County of San Diego Successor Agency Private Purpose Trust Fund, refer to Note 31 to the financial statements, "County of San Diego Successor Agency Private Purpose Trust Fund for Assets of Former San Diego County Redevelopment Agency". Note that on the Statement of Net Position, the "Due from other funds" for the General Fund's \$1.041 million Upper San Diego River Project loan and the "Due from other funds" for the \$3.850 million Airport Enterprise Fund's airport projects loan, are included in the governmental activities' and business-type activities' "Receivables, net", respectively. See Note 5 to the financial statements, "Receivables,"

All remaining balances resulted from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made.

NOTE 9 **Interfund Transfers**

Interfund transfers at fiscal year-end consisted of the following amounts:

	insfers In/Transfers Out June 30, 2013				Table 19	TRANSFERS OUT			
		Gener	al Fund	Public Safety	Tobacco Endowment	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	Total
Z	General Fund	\$		224,667	24,189	13,623		724 \$	263,203
	Nonmajor Governmental	1	185,414			8,577	342	3,395	197,728
E.	Nonmajor Enterprise		308			50			358
TRANSFERS	Internal Service		11,145			4,210	130		15,485
22	Total	\$ 1	196,867	224,667	24,189	26,460	472	4,119 \$	476,774

In general, transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the General Fund to finance programs accounted for in other funds in accordance with budgetary authorizations.

Payables

The County's payables at fiscal year-end are shown below for the General Fund, other governmental funds, internal service funds, enterprise funds, and the discrete component unit:

	Tab	le 20		
Payables				
At June 30, 2013		Due to Other		
	Vendor	Government	Other	Total Payables
Governmental Activities:				
General Fund	\$ 89,018	3 15,166	4,250	\$108,434
Other Governmental Funds	23,75	2 1,234	295	25,281
Internal Service Funds	51,03	927	8	51,971
Total governmental activities	\$163,80	3 17,327	4,553	\$185,686
Business-type activities:				
Enterprise Funds	\$ 2,64	5		\$ 2,645
Component Unit:				
First 5 Commission of San Diego	\$ 4,92	9,116	569	\$ 14,613

NOTE 11

Short-Term Obligations

The County issues tax anticipation notes in advance of property tax collections, depositing the proceeds in the General Fund. These notes are necessary to fund the County's annual cash flow needs. The majority of property tax collections are received in December and April.

Short-term debt activity for the fiscal year was as follows:

Table 21									
Short-Term Obligations									
	Beginning Balance at July 1, 2012	Issued	Redeemed	Ending Balance at June 30, 2013					
Tax and revenue anticipation notes		50,000	50,000	_					

NOTE 12

Lease Obligations

Operating Leases

Real Property

The County has obligations under long-term operating lease agreements through fiscal year 2024 (**Table 22**). The County is the lessee under the terms of several non-cancelable operating leases for real property used to house certain County operations. The total rental expense for all real property leases for the year ended June 30, 2013 was approximately \$28.8 million, including \$20.9 million for non-cancelable leases.

The future minimum lease payments for these noncancelable leases are as follows:

Table 22 Lease Commitments - Real Property							
Fiscal Year	Minimur	m Lease Payments					
2014	\$	19,044					
2015		16,031					
2016		12,966					
2017		11,042					
2018		7,205					
2019-2023		23,387					
2024		840					
Total	\$	90,515					

Personal Property

The County has also entered into operating leases for personal property, a large portion of which represents duplicating and heavy duty construction equipment. Many of these leases are subject to annual adjustment based upon negotiations. Management expects that in the normal course of business, leases that expire will be renewed or replaced by other leases. Total rental expense for these operating leases for the year ended June 30, 2013, was approximately \$3.3 million.

Capital Lease

Minimum Lease Payments

Equipment has been leased from the Bowe Bell and Howell Company. The present value of the minimum lease obligation has been capitalized in the Facilities Management internal service fund statement of net position; and is reflected as a liability in those statements. The County assumes responsibility for all maintenance and repair of the equipment under the terms of the lease agreement. Future minimum lease payments under the capital lease are shown **Table 23**.

(Amounts expressed in thousands unless otherwise noted)

Table 23 Capital Lease - Future Minimum Lease Payments							
Fiscal Year Amount							
2014	\$	40					
2015		40					
2016		40					
2017		40					
2018		11					
Total minimum lease payments		171					
Less: Amount representing interest (19							
Net lease payments	\$	152					

Book Value

The book value of the equipment capital lease is as follows:

Table 24							
Capital Lease - E	Capital Lease - Book Value						
At June 30, 2013	At June 30, 2013						
Capital Lease Proper	ty Ori	ginal Cost	Accumulated Amortization	Net Book Value			
Equipment	\$	310	173	137			

The accumulated amortization of this equipment capital lease was \$173 thousand as of June 30, 2013. The current year's portion is included in the Internal Service Funds' depreciation/amortization of \$13.626 million in Table 15.

NOTE 13

Long-Term Debt

Certificates of Participation (COPs) and Lease Revenue Bonds (LRBs)

Certificates of Participation (COPs) and Lease Revenue Bonds (LRBs) provide funds for the acquisition and construction of major capital facilities and equipment. The repayment of these COPs and LRBs is secured by a lease structure where the borrowing entity, such as the County or the San Miguel Consolidated Fire Protection District (SMCFPD) (not a component unit of the County), leases certain properties to another entity, a lessor, which in turn leases the properties back to the County or the SMCFPD. These lessors are the San Diego Capital Asset Leasing Corporation (SANCAL), and the San Diego Regional Building Authority (SDRBA); both blended

component units of the County. (See discussion of Blended Component Units under Note 1 "Summary of Significant Accounting Policies".)

COPs and LRBs are secured by: a) (lease) base rental payments, for the use of certain facilities or equipment and b) encumbrances on the facilities. The leased premises are typically facilities or equipment purchased with proceeds of the COPs or LRBs. In the case of the County, the base rental payments are made primarily from the County General Fund to the SANCAL or SDRBA: in the case of the SDRBA's financina for the SMCFPD, base rental payments are made from SMCFPD to the SDRBA. Under lease terms, the County and the SMCPFD are required to make the necessary annual appropriations for lease payments, except to the extent those payments are eligible to be abated in accordance with the terms of the leases.

COPs and LRBs evidence a pro rata share in a specific pledged revenue stream of lease payments, and investors in the certificates or bonds are entitled to receive a share in these lease payments from a particular project. Lease payments are passed through the lessor to the investors. The lessor assigns the lease and lease payments to a trustee, which distributes the lease payments to the investors.

In October 2012, the San Diego County Capital Asset Leasing Corporation issued \$29.335 million of fixed rate Certificates of Participation titled, 2012 Cedar and Kettner Development Project (the "Series 2012 Certificates"). The Series 2012 Certificates were issued at fixed interest rates ranging from 2.00% to 5.00% with maturity dates ranging from February 1, 2014 to February 1, 2042.

These Certificates were issued with a premium of \$574 thousand. Certificate proceeds of \$29.909 million along with the County's contribution of \$8.26 million were distributed as follows: 1) \$27.84 million was transferred to the construction fund used to pay construction costs on the Cedar and Kettner Development project; 2) \$8.26 million is to be used for design and construction costs; 3) \$1.663 million of proceeds were used to fund the Series 2012 Certificates' debt service reserve fund; 4) \$142 thousand was used to pay the underwriter's discount; and 5) \$264 thousand was set aside to pay certain costs of issuance. The interest on these Certificates is excludable from gross income for federal income tax purposes and is exempt from State of California income taxes.

Details of the COPs and LRBs outstanding at June 30, 2013 are as follows:

Annual debt service requirements to maturity for COPs and Lease Revenue Bonds are as follows:

Table 25 Certificates of Participation (COP) and Lease Revenue Bonds (LRB)										
Issuance		Original Amount	Interest Rate	Final Maturity Date		utstanding alance at June 30, 2013				
2003 San Miguel Consolidated Fire Protection District Refunding LRB	\$	10,005	2.00 - 5.00%	2020	\$	5,230				
2005 Edgemoor Project COP		83,510	3.00 - 5.00%	2030		69,215				
2005 Regional Communications System Refunding COP		28,885	3.00 - 5.00%	2019		8,710				
2005 North & East Justice Facilities Refunding COP		28,210	3.25 - 5.00%	2020		16,140				
2006 Edgemoor Completion Project COP		42,390	4.00 - 5.00%	2030		36,985				
2009 Series A COC and Annex Project LRB 2009 Justice Facilities		136,885	3.00 - 5.50%	2036		130,530				
Refunding of 1998 Courthouse COP		32,640	2.00 - 5.00%	2023		21,765				
2009 Justice Facilities Refunding of 1997 Central Jail COP		48,300	2.00 - 5.00%	2026		39,835				
2011 Metropolitan Transit System Towers Refunding COP		19,260	1.00-5.00%	2020		15,175				
2011 CAC Waterfront Park Project COP		32,665	3.00-5.00%	2042		32,090				
2012 Cedar-Kettner Development Project COP		29,335	2.00-5.00%	2042		29,335				
Total	\$	492,085			\$	405,010				

				_						
		Table 26	6							
Certificates of Partic	Certificates of Participation									
and Lease Revenue Bonds -										
Debt Service Requirements to Maturity										
Fiscal Year Principal Interest Total										
2014	\$	20,600	18,664	\$	39,264					
2015		19,880	17,861		37,741					
2016		20,645	17,009		37,654					
2017		21,565	16,073		37,638					
2018		22,565	15,069		37,634					
2019-2023		96,750	60,908		157,658					
2024-2028		84,345	39,799		124,144					
2029-2033		64,640	20,702		85,342					
2034-2038		40,545	7,002		47,547					
2039-2042		13,475	1,299		14,774					
Subtotal	\$	405,010	214,386	\$	619,396					
Add:										
Unamortized issuance premium		13,079								
Less:										
Unamortized deferred amounts on refundings		(3,927)								
Unamortized discount		(170)								
Total	\$	413,992								

(Amounts expressed in thousands unless otherwise noted)

Taxable Pension Obligation Bonds (POBs)

POBs are issued by the County to reduce its pension unfunded actuarial liability and to achieve interest rate savings by issuing bonds at interest rates which are less than the assumed rate of return earned on proceeds placed in the San Diego County Employees Retirement Association's (SDCERA) pension plan. POBs also have been issued to refund previously issued POB debt. Because current federal tax law restricts the investment of the proceeds of tax-exempt bonds in higher-yielding taxable securities, POBs are issued on a taxable basis.

Details of POBs outstanding at June 30, 2013 are as follows:

Table 27 **Taxable Pension Obligation Bonds** Outstanding Final Balance at Original Interest Maturity June 30, 2013 Issuance Amount Rate Date 3.88 -2002 Series A \$ 132,215 4.95% 2016 51,990 3.28 -212.870 2004 Series A 241,360 5.86% 2023 2004 Series B1-2 147,825 5.91% 2025 147,825 4.66 -64,928 2004 Series C CABs 2016 45,225 2004 Series C **Unaccreted Interest CABs** (2,925)3.33 -2008 Series A 2027 343.515 315.545 Total \$ 929,843 770,530

Annual debt service requirements to maturity for POBs are shown below in **Table 28**.

Table 28										
Taxable Pension	Taxable Pension Obligation Bonds -									
Debt Service Requirements to Maturity										
Fiscal Year		rincinal	Unaccreted	Interest	Total					
2014	\$	Principal 39,775	Appreciation	41,233						
2015	Ψ	38,240	1,202	39,556	78,998					
2016		32,755	148	38,380	71,283					
2017		44.340	0	36,065	80,405					
2018		46,995		33,413	•					
2019-2023		280,535		120,270	400,805					
2024-2027		277,990		27,137	305,127					
Subtotal	\$	760,630	2,925	336,054	\$1,099,609					
Add:										
Accreted appreciation through June 30, 2013		32,317								
Less:		- ,								
Accreted appreciation paid through fiscal year 2013		(15,685)								
Less:										
Accreted appreciation to be paid in fiscal year 2014 (already included in the 2014 principal										
shown above)		(6,732)								
Subtotal		770,530	_							
Less:										
Unamortized deferred amounts on refundings		(1,462)								
Total	\$	769,068								

As shown in Table 28, the unpaid Taxable Pension Obligation Bonds' accreted appreciation as of June 30, 2013 was \$16,632 (accreted appreciation through June 30 of \$32,317 less \$15,685 accretion paid through fiscal year 2013). Of this amount, \$6,732 will be paid in fiscal year 2014; \$2,955 will be paid in fiscal year 2015; and, \$6,945 will be paid in fiscal year 2016.

Notes to the Financial Statements (Amounts expressed in thousands unless otherwise noted)

Tobacco Settlement Asset-Backed Bonds (TSAB)

TSAB are issued by the Tobacco Securitization Joint Powers Authority of Southern California (Authority) to securitize future revenue streams available to the County pursuant to the agreements described below.

A 1998 Master Settlement Agreement (MSA) was originally entered into by the four major cigarette manufacturers, 46 states and six other U.S. jurisdictions (the "Settling States") to provide state governments (including California) with compensation for smoking related medical costs and to help reduce smoking in the United States. There is no limit to the yearly settlement payments; they are perpetual. Also, a Memorandum of Understanding (the "MOU") and a supplemental agreement (the "ARIMOU") was agreed to by the State of California and all California counties and four California cities, granting those California municipalities the right to receive tobacco settlement allocation payments, (also known as Tobacco Settlement Revenues - (TSRs)).

In fiscal year 2002, the Authority issued \$446.86 million Tobacco Settlement Asset-Backed Bonds (Bonds), to fund the Authority's loan to the San Diego Securitization Tobacco Asset Corporation (Corporation), pursuant to a loan agreement between the Authority and the Corporation. (Both entities are blended component units of the County.) According to the loan agreement, the Corporation has pledged, assigned and granted to the Authority, a first priority perfected security interest in all rights, title and interest of the Corporation, to the TSRs the Corporation purchased from the County, and future TSRs. The Corporation used the net proceeds of the loan, \$411.913 million, to pay the County, in exchange for the County's transfer to the Corporation of all the County's rights, title and interest in the TSRs. Net proceeds have been placed in an endowment fund to fund healthcare-based programs pursuant to Board Policy E-14 and IRS regulations, and do not secure the repayment of the TSAB.

In May 2006, the Authority issued Series 2006 TSAB in the amount of \$583.631 million to refund the outstanding principal of the original 2001 bonds noted above and to loan an additional \$123.515 million to the Corporation. The proceeds were placed into the endowment fund for the aforementioned purposes. The Series 2006 Bonds are limited obligations of the Authority, anticipated to reach final maturity in fiscal year 2036 based on receipts of future TSRs as projected

in the May 2006 Global Insight Base Case analysis (the "Base Case") performed in conjunction with the issuance of the Series 2006 TSAB.

Under the terms of the bond indentures, TSRs are pledged to the repayment of the bonds. Accordingly, the bonds are payable solely from certain funds held under the indenture, including TSRs and earnings on such funds (collections).

The minimum payments under the TSAB are based on the indenture and the Series 2006 Supplement, both dated as of May 1, 2006. However, actual payments on the TSAB depend on the amount of TSRs received by the County. The amount of these TSRs is affected by cigarette consumption and the financial capability of the participating manufacturers. There are a number of risks associated with the amount of actual TSRs the County receives each year, including litigation affecting the participating manufacturers and possible bankruptcy as a result thereof, increased growth of non-participating manufacturer's market disputed payments set-aside by the participating manufacturers into an escrow account, a decline in cigarette consumption materially beyond forecasted levels, reduction in investment earnings due to unforeseen market conditions, and other future adjustments to the calculation of the TSRs.

No assurance can be given that actual cigarette consumption in the United States during the term of the TSAB will be as assumed in the Base Case, or that the other assumptions underlying these Base Case assumptions, including that certain adjustments and offsets will not apply to payments due under the MSA, will be consistent with future events. If actual events deviate from one or more of the assumptions underlying the Base Case, the amount of TSRs available to make payments, including Turbo Redemption Payments will be affected. No assurance can be given that these structuring assumptions, upon which the projections of the TSAB payments and Turbo Redemptions are based, will be realized.

Details of TSAB outstanding at June 30, 2013 are as follows:

Table 29 Tobacco Settlement Asset-Backed Bonds									
Issuance		Original Amount	Interest Rate	Final Maturity Date		utstanding salance at June 30, 2013			
Series 2006A Senior Current Interest Bonds	\$	534,610	4.75 - 5.125%	2018- 2030	\$	486,360			
Series 2006B CABs		19,770	6.25%	2032		94,284			
2006B unaccreted appreciation CABs						(63,706)			
Series 2006C CABs		8,686	6.40%	2033		47,097			
2006C unaccreted appreciation CABs						(33,524)			
Series 2006D CABs		20,565	7.10%	2036		153,091			
2006D unaccreted appreciation CABs						(119,372)			
Total	\$	583,631			\$	564,230			

In the following schedule, the principal and interest payments are presented as if turbo redemptions will be made beginning June 1, 2014 through June 1, 2036 based upon the May 2006 Base Case analysis of the TSR collections to fund the Turbo Redemptions. Turbo Redemptions occur when all excess revenues after the payment of operating expenses, interest, and rated principal are used to retire term bonds early in order of maturity. The principal or accreted value of the TSAB must be paid by its stated maturity date to avoid an Event of Default under the Indenture. Under the Indenture, collections which are in excess of the requirements for, among other things, the periodic funding of operating expenses, sinking fund installments, turbo term bond maturities replenishment of the Senior Liquidity Reserve Account are applied to the mandatory redemption of the TSAB at the principal amount or accreted value thereof on each distribution date in accordance with the payment priorities.

The April 2013 TSR receipts included one-time revenues in the amount of \$13.966 million, resulting from a settlement related to the non-participating manufacturer (NPM) adjustment dispute for the years 2003 through 2012 ("Settlement Payment"). This onetime Settlement Payment supported the Turbo Redemption payment of \$17.035 million on June 1, 2013, which is \$4.5 million greater than the projected

Turbo Redemption payment of \$12.535 million as presented in the related Official Statement dated May 26, 2006 ("Official Statement").

With the exception of the June 1, 2013 Turbo Redemption, the overall turbo redemption of the Authority's Series 2006 Bonds has been and continues to be at a pace slower than what was projected when the Series 2006 Bonds were issued. The \$48.25 million of bonds that have been turbo redeemed to date is \$24.89 million less than the \$73.14 million projected in the Official Statement to be redeemed through June 1, 2013.

Additionally, as a result of the Settlement Payment, the final maturity of the Series 2006 Bonds has shortened by one year to June 1, 2036. This final maturity is based on the TSR projections based on assumptions made at the time of issuance of the Series 2006 Bonds. As stated above, no assurance can be given that these structuring assumptions, upon which the projections of the Series 2006 Bonds Turbo Redemptions are based, will be realized.

Based on the Base Case assumptions, annual debt service requirements to maturity for TSAB are as follows:

			Table 30		
Tobacco Se	tt	lement A	sset-Backed	d Bonds -	
Debt Service	е	Requiren	nents to Mat	urity	
Fiscal Year		Principal	Unaccreted Appreciation	Interest	Total
2014	\$	14,200	5,258	24,398	\$ 43,856
2015		13,400	5,617	23,727	42,744
2016		14,440	5,998	23,086	43,524
2017		15,585	6,402	22,396	44,383
2018		19,355	6,842	21,638	47,835
2019-2023		120,710	41,820	92,185	254,715
2024-2028		171,875	58,098	56,680	286,653
2029-2033		146,842	69,511	9,333	225,686
2034-2036		18,974	17,058		36,032
Subtotal	\$	535,381	216,604	273,443	\$ 1,025,428
Add:					
Accreted appreciation through June 30, 2013		28,849			
Subtotal	_	564,230			
Less:			-		
Unamortized issuance discount		(12,880)			
Total	\$	551,350			

Notes to the Financial Statements (Amounts expressed in thousands unless otherwise noted)

As shown in Table 30, the unpaid Tobacco Settlement Asset-Backed Bonds' accreted appreciation as of June 30, 2013 was \$28,849. Of this amount, \$24,343 will be paid in fiscal years 2030 through 2033; and \$4,506 will be paid in fiscal year 2034.

TSAB pledged revenue for the year ended June 30, 2013 was as follows:

Table 31 Tobacco Settlement Asset-Backed Bonds - Pledged Revenues						
			Fiscal Ye	ear 2013		
Debt Pledged	Final Maturity Date	Pledged Revenue To Maturity	Debt Principal & Interest Paid	Pledged Revenue Received		
Series 2006 Tobacco Settlement Asset- Backed Bonds	2036	\$ 1,054,275	\$ 42,298	\$ 41,349		

Loans - Governmental Activities

Loans for various governmental activities included a United States Department of Agriculture Farmers Home Administration loan for the construction of low income housing; and California Energy Commission loans to fund various projects in County facilities to increase energy efficiency.

In November 2011, the County Board of Supervisors authorized the use of San Diego Gas & Electric (SDG&E) On Bill Financing (OBF) program to fund energy efficiency and demand response projects. This program will finance installations, modifications and upgrades at County-owned facilities such as lighting retrofits and controls and mechanical system upgrades with the goal of reducing utility costs. The financing is a zero percent interest loan which will be repaid from energy savings generated by each San Diego Gas and Electric meter.

In February 2013, the County of San Diego received its first On Bill Financing loan from SDG&E for lighting improvements in its El Cajon Library facility.

Details of loans outstanding at June 30, 2013 for governmental activities are as follows:

Loans - Governme					
Issuance	Original Amount	Interest Rate	Final Maturity Date	Во	tstanding llance at une 30, 2013
Loans - non internal service funds (ISF)					
Firebird Manor	\$ 4,486	1.00%	2028	\$	2,260
Total loans - non-ISF	4,486				2,260
Loans - ISF					
California Energy Comm Loan 1 (Facilities ISF)	1,977	4.00%	2015		343
California Energy Comm Loan 2 (Facilities ISF)	3,001	3.95%	2016		785
California Energy Comm Loan 3 (Facilities ISF)	2,565	4.50%	2018		1,745
San Diego Gas and Electric On Bill Financing (Facilities ISF)	38	0.00%	2017		36
Total loans - ISF	7,581				2,909
	.,				7
Total	\$ 12,067			\$	5,169

(Amounts expressed in thousands unless otherwise noted)

Annual debt service requirements to maturity for loans - governmental activities are as follows:

Table 33 Loans - Governmental Activities									
Debt Service Requirements to Maturity									
Fiscal Year	P	rincipal	Interest	Total					
2014	\$	1,082	135	\$ 1,217					
2015		1,003	95	1,098					
2016		503	65	568					
2017		516	48	564					
2018		528	29	557					
2019-2023		761	62	823					
2024-2028		776	23	799					
Total	\$	5,169	457	\$ 5,626					

Loans - Business-type Activities

Loans for business-type activities included California Department of Transportation loans for the construction of a sewer line and the installation of a control tower at the Ramona Airport.

Details of loans outstanding at June 30, 2013 for business-type activities are as follows:

Table 34 Loans - Business-type Activities									
Loan		riginal mount	Interest Rate	Final Maturity Date	Balc Jui	tanding ince at ne 30, 2013			
2001 Airport Development Loan - Ramona Sewer Line	\$	2,388	5.63%	2017	\$	697			
2001 Airport Development Loan - Ramona Control Tower		1,196	5.63%	2017		349			
Total	\$	3,584			\$	1,046			

Annual debt service requirements to maturity for loans - business-type activities are as follows:

Table 35								
Loans - Business-type Activities								
Debt Service Requirements to Maturity								
Fiscal Year	Pri	ncipal	Interest	Total				
2014	\$	279	59	\$ 338				
2015		291	43	334				
2016		304	27	331				
2017		172	10	182				
Total	\$	1,046	139	\$ 1,185				

Arbitrage

In compliance with the Tax Reform Act of 1986 and subsequent U.S. Treasury Regulations, the County performed arbitrage rebate calculations via a third party to determine probable amounts due to the Federal government. At June 30, 2013, the probable arbitrage rebate was zero.

Changes in Long-Term Liabilities

Long-term liability activities for the year ended June 30, 2013 were as follows:

Change and in Language Tampa Harbitta		7	Table 36				
Changes in Long-Term Liabilities	В	Beginning alanceat uly 1, 2012	Additions	Reductions	Accreted Interest	Ending Balanceat June 30, 2013	Amounts Due Within One Year
Governmental Activities:							
COPs, bonds & loans							
Certificates of participation and lease revenue bonds	\$	400,970	29,335	(25,295)		405,010	\$ 20,600
Taxable pension obligation bonds		806,845		(38,700)	2,385	770,530	39,775
Tobacco settlement asset-backed bonds		576,340		(17,035)	4,925	564,230	14,200
Loans - non-internal service funds		2,401		(141)		2,260	142
Loans - internal service funds (ISF)		3,766	38	(895)		2,909	940
Unamortized issuance premiums		13,655	574	(1,150)		13,079	1,152
Unamortized issuance discounts		(14,125)		1,075		(13,050)	(1,076)
Unamortized deferred amounts on refundings		(5,896)		507		(5,389)	(506)
Total COPs, bonds & loans	\$	1,783,956	29,947	(81,634)	7,310	1,739,579	\$ 75,227
Other long-term liabilities:							
Capital Leases - ISF	\$	185		(33)		152	\$ 33
Claims and judgments - ISF		138,839	45,875	(28,162)		156,552	36,421
Compensated absences - non-ISF		96,281	67,355	(65,413)		98,223	37,626
Compensated absences - ISF		2,275	1,689	(1,696)		2,268	925
Landfill postclosure		19,465		(107)		19,358	791
Pollution remediation		7,904	518	(112)		8,310	4,155
Total Other long-term liabilities		264,949	115,437	(95,523)		284,863	79,951
Total Governmental Activities	\$	2,048,905	145,384	(177,157)	7,310	2,024,442	\$ 155,178
Business-type activities:							
Loans	\$	1,313		(267)		1,046	\$ 279
Compensated absences		421	309	(306)		424	173
Total Business-type Activities	\$	1,734	309	(573)		1,470	\$ 452

Funds Used to Liquidate Liabilities

The following funds presented in Table 37 below have typically been used to liquidate other long-term obligations in prior years:

Table 37 Liquidated Liabilities					
Liability	Fund(s) Used to Liquidate in Prior Years				
Claims & Judgments	Internal Service Funds - Employee Benefits Fund and Public Liability Insurance Fund				
Compensated Absences	General Fund; Special Revenue Funds - County Library, Road, Inactive Wastesites and Air Pollution; Internal Service Funds - Facilities Management, Fleet Services and Purchasing; and, Enterprise Funds - Airport and Wastewater Management				
Landfill Postclosure	Special Revenue Fund: Inactive Wastesites				
Pollution Remediation	General Fund, Special Revenue Fund: Inactive Wastesites				

NOTE 16

Conduit Debt Obligations

From time to time, the County has issued tax-exempt conduit debt under the authority of Chapter 7 of Part 5 of Division 3 of the Health and Safety Code of the State of California on behalf of qualified borrowers to provide financial assistance for projects deemed to be of public interest.

Conduit debt consisted of the following: a) twelve certificates of participation (COPs) for the acquisition, construction, capital improvement and equipping of various facilities and b) three mortgage revenue bonds for the construction and permanent financing of multi-family residential rental projects located in the County to be partially occupied by persons of low or moderate incomes. Conduit debt is secured by the property that is financed and is payable from the respective COPs' base rentals; and underlying payments on mortgage loans. Upon repayment of the debt, ownership of the acquired facilities transfers to the private-sector entity served by the debt issuance.

The County is not obligated in any manner for repayment of this debt. Accordingly, the debt is not reported as liabilities in the accompanying financial statements.

As of June 30, 2013, the aggregate conduit debt principal amount outstanding was \$257.26 million.

NOTE 17

Landfill Site Postclosure Care Costs

State laws and regulations require the placement of final covers on all landfill sites that stopped accepting solid waste after October 9, 1991 and the performance of certain maintenance and monitoring functions at these sites for a minimum of 30 years after closure. Closure and postclosure care costs are paid near or after the date a landfill stops accepting waste. The San Marcos Landfill is the sole waste disposal site owned by the County that is subject to these regulations. It was operational and accepted solid waste from 1979 until March 11, 1997. Formal closure of this landfill spanned from July 2004 through March 2007. Post closure maintenance began in April 2007.

The projected landfill postclosure care liability at June 30, 2013 for the San Marcos Landfill was \$19,358 million. This estimated amount is based on what it would cost to perform all postclosure care in calendar year 2013 dollars and is subject to change as a result of such factors including but not limited to: inflation; deflation; advancements in technology; and amendments to laws and regulations.

In addition to the above, state regulations require that landfill closure and postclosure maintenance costs be fully funded at the time of closure, unless a landfill owner/operator can demonstrate financial responsibility towards these activities by using other approved financial assurance alternatives. A pledge of revenue is one of various alternatives allowed to fund estimated postclosure costs. Under this alternative, the Board of Supervisors, on February 3, 1998, approved Minute Order No. 5 "Postclosure Maintenance Funding for the San Marcos Landfill", wherein the County entered into a pledge of revenue agreement with the California Integrated Waste Management Board (CIWMB). Pursuant to Resolution No. 98-24, adopted under Minute Order No. 5, the Board directed that the amount of pledged revenue shall be equal to \$790 thousand per year for the 30 year period of postclosure maintenance commencing upon completion of the final closure of the San Marcos Landfill. The pledged amount is a promise of existing funds rather than future revenues and may increase or decrease to match any adjustment to identified cost estimates that are mutually agreed to by the County and the CIWMB.

(Amounts expressed in thousands unless otherwise noted)

Regulations governing solid waste management are promulgated by government agencies on the federal and state levels. These regulations address the design, construction, operation, maintenance, closure and postclosure maintenance of various types of facilities; acceptable and prohibited waste types; and inspection, permitting, environmental monitoring and solid waste recycling requirements. Regulations at both the state and federal levels could impose retroactive liability, particularly with respect to cleanup activities relating to any landfill site ever operated by the County, whether or not owned by the County. Thus, the County has potential liability with respect to every landfill ever owned, operated, contracted to be operated, or into which the County disposed waste. Compliance with these regulations may be costly, and, as more stringent standards are developed to protect the environment, these costs could increase.

NOTE 18 Pollution Remediation

Governmental Accounting Standards Board Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations, establishes accounting and reporting guidelines for the recognition and measurement of pollution remediation obligations (liabilities).

The County is involved in several remediation actions to clean up pollution sites within its boundaries. These matters generally coincide with the County's ownership of land, buildings and infrastructure assets. In some cases, regulatory agencies (e.g., California Regional Water Quality Control Board) notified the County of the need for remedial action. In addition, the County conducts its own environmental monitoring and this activity identifies pollution sites and matters requiring further investigation and possible remediation. Once the County is aware of these conditions, it commences monitoring, assessment, testing, and/or cleanup activities, and recognizes pollution remediation obligations when estimates can reasonably be determined.

The types of pollution that have been identified include leaking underground storage tanks, water, groundwater and soil contamination, and excessive levels of other contaminants. Remediation efforts include developing remediation and feasibility studies, source identification studies, site testing, sampling and analysis, ground water cleanup, removal of storage tanks and other hazardous materials.

As of June 30, 2013, the County's estimated pollution remediation obligations totaled \$8.310 million. These obligations were all associated with the County's aovernment-wide aovernmental activities. estimated liabilities were determined by project managers and/or consultants, based on historical cost information for projects of the same type, size and complexity and measured at their current value or current quotes from outside service providers. In subsequent periods, the County will adjust estimated obligations when new information indicates that such changes are required. At this time, the County has determined there are no estimated recoveries reducing the obligations.

NOTE 19

Fund Balance Policy - General Fund

In 2011 the Board of Supervisors adopted the updated Policy B-71 "Fund Balance and Reserves" to establish guidelines regarding the maintenance of General Fund fund balance levels that will help to protect the fiscal health and stability of the County. This policy includes:

Fund Balance Committed To Unforeseen Catastrophic Events: The amount of fund balance committed to unforeseen catastrophic events shall be targeted at the equivalent of 5% of the total amount of budgeted general purpose revenue. The establishment of this fund balance commitment is governed Government Code §29085-29086, which allows the amount to be increased or decreased at the time the budget is adopted, but once the budget is adopted, it may only be used for legally declared emergencies as defined in Government Code §29127. The Board may waive the requirement to maintain the fund balance at the targeted level specified if it finds that it is in the best interest of the residents of the County to so do. This commitment is reported on the General Fund's Balance Sheet.

General Fund Minimum Fund Balance: In order to be prepared for broader levels of economic uncertainty, the minimum level of Unassigned fund balance in the General Fund shall be targeted at the equivalent of 10% of the total amount of budgeted general purpose revenue. The Board may waive the requirement to maintain the fund balance at the targeted level specified if it finds that it is in the best interest of the residents of the County to so do. To the extent that fund balance is available in excess of that amount, the Chief Administrative Officer (CAO) may recommend

(Amounts expressed in thousands unless otherwise noted)

the appropriation or commitment of the available balance for one time purposes. The recommendations may appear in the CAO Proposed Operational Plan or as an agenda item for a regularly scheduled meeting of the Board. In fiscal year 2010 the County Board of Supervisors took action to set aside \$100 million of the General Fund's fund balance for future economic uncertainty. This amount is included in the Unassigned fund balance classification on the General Fund's Balance Sheet.

Restoration of Fund Balances: In the event that the balance commitment for unforeseen fund catastrophic events or the General Fund Minimum Unassigned fund balance falls below targeted levels, the CAO will present a plan to the Board of Supervisors for restoration of those targeted levels.

NOTE 20

Fund Balances Restricted for Laws or Regulations of Other Governments: Fund Purpose

At June 30, 2013, the fund balances restricted for laws or regulations of other governments: fund purpose are presented in Table 38 as follows:

	Table 38	
Fund Balances Restricted for Laws or Regula	itions of Other Governments: Fund Purpose	
At June 30, 2013		
Fund Type:	Purpose	Amount
Major Fund		
Public Safety Fund	Public safety activities	\$ 55,377
Nonmajor Funds		
Special Revenue Funds		
Air Pollution Fund	Air pollution activities	\$ 20,524
Asset Forfeiture Program Fund	Law enforcement	7,931
County Library Fund	Library services	9,650
	Road, park lighting maintenance, fire protection and	
County Service District Funds	ambulance services	17,703
Edgemoor Development Fund	Edgemoor development	14,326
In Home Supportive Services Public Authority Fund	In home supportive services	83
Inmate Welfare Fund	Benefit, education, and welfare of jail inmates	10,588
Lighting Maintenance District Fund	Street and road lighting maintenance	1,369
Ohlo ar Co a a ind Dishrigh Funda	Retracement or remonument surveys, improvements for grazing lands, wildlife propagation and aviation purposes capital	//7
Other Special District Funds	improvements and repairs	667
Park Land Dedication Fund	Developing new or rehabilitating existing neighborhood or community park or recreational facilities	11,684
Total Nonmajor Funds (Special Revenue Funds)		\$ 94,525
Total Fund Balances Restricted for Laws or Regulations		
of Other Governments: Fund Purpose		\$ 149,902

Fund Balances Restricted for Laws or Regulations of Other Governments: Other Purposes

At June 30, 2013, the fund balances restricted for laws or regulations of other governments: other purposes are presented in **Table 39** as follows:

Fund Balances Restricted for Laws or Regulations of Other Governments: Other Purposes		
At June 30, 2013 Major Fund		
General Fund		
Custody of non-violent, non-serious, non-sex offenders and supervision of post release offenders	\$	55.
Improvement and maintenance of recorded document systems	Ψ	21,4
Defray administrative costs, other general restrictions		18,
Vector control		14,
Teeter tax loss		14,.
Mental health		8.
Fire safety projects and equipment		8,
Fingerprinting equipment purchase and operation		7.
Parks and Rec rea ton land acquisition, improvements, stewardship and other activities		4.
Sheriff automated warrant system		4,
Probation Department activities		4,
Public Defender defense of indigent cases		3,
Emergency medical services, various construction costs		3,
Real estate fraud prosecution		3.
Domestic violence and child abuse prevention		2.
Sheriff law enforcement		2.
Sheriff vehicle maintenance and replacement		1.
Parole revocation hearings		1,
Equipment replacement/system enhancement Caller ID Remote Access Network		1,
Projects, programs and services that benefit Crest -Dehesa - Harbison Canyon - Granite Hills sub-region		.,
Administration, operation and conservation of trails, paths or other facilities for off-highway motor vehicles		
Acquisition, rehabilitation, construction and financing of courtrooms, courtroom building or court facilities		
Social services child safety education		
Probation community transition unit activities		
otal General Fund	\$	181,
oral Contrart and	Ψ	101,
Nonmajor Funds		
Special Revenue Funds		
Flood Control District Fund		
Flood control future drainage improvements	\$	23,
Housing Authority Fund		
Housing repairs and improvements		
Disaster related administration		
otal Nonmajor Funds (Special Revenue Funds)	\$	23,
Total Fund Balances Restricted for Laws or Regulations of Other Governments: Other Purposes	\$	205,

Fund Balances Committed to Other Purposes

At June 30, 2013, the fund balances committed to other purposes are presented in Table 40 as follows:

Table 40 **Fund Balances Committed To Other Purposes** At June 30, 2013

Major Fund	
General Fund	
Regional communication system infrastructure enhancements	\$ 16,549
Replacement and upgrade of Public Safety Communication System	16,300
Health based programs reducing adult/youth smoking	8,119
Sheriff's Department future capital expenditures	6,000
Department of Environmental Health services	3,273
Sheriff's Department helicopter replacement	2,664
San Diego Fire Authority equipment replacement	1,883
Parks and Recreation land acquisition	1,446
Department of Planning and Land Use services	659
Management of conduit financing programs	574
Future lease payments	454
Registrar of Voters equipment acquisition	445
Future replacement of Health and Human Services Agency public health clinic	431
Assessor/Recorder/County Clerk services	111
South County Shelter capital improvements	58
Capital Improvement	12
Senior Volunteer Patrols Program in the unincorporated communities	9
Clerk of the Board services	5
Parks and Recreation turf replacement Sweetwater Valley	4
Total General Fund	\$ 58,996

Nonmajor Funds	
Special Revenue Funds	
Inactive Wastesites Fund	
Landfill postclosure and landfill maintenance	\$ 59,809
Total Nonmajor Funds (Special Revenue Funds)	59,809
Total Fund Balances Committed to Other Purposes	\$ 118,805

NOTE 23

Fund Balances Assigned to Other Purposes

At June 30, 2013, the fund balances assigned to other purposes are presented in Table 41 as follows:

Table 41

Fund Balances Assigned to Other Purposes At June 30 2013

At June 30, 2013	
Major Fund	
General Fund	
Legislative and administrative services	\$ 16,188
Health, mental health and social services	14,095
Law enforcement, detention, legal and other protection services	10,267
Park and recreation services	3,527
Planning, land use, agriculture, watershed and other public services	3,323
Assessor/Recorder/County Clerk services	2,218
Maintenance	843
Treasurer-Tax Collector services	709
Fire protection	396
Animal Services	316
Registrar of Voters services	103
Total General Fund	\$ 51,985

Net Position Restricted for Laws or Regulations of Other Governments: Other Purposes

At June 30, 2013, the net position restricted for laws or regulations of other governments: other purposes are presented in **Table 42** as follows:

Table 42		
Net Position Restricted for Laws or Regulations of Other Governments: Other Purposes		
At June 30, 2013		
Custody of non-violent, non-serious, non-sex offenders and supervision of post release offenders	\$	55,163
Air pollution activities		20,524
Road, park lighting maintenance, fire protection and ambulance services		17,703
Edgemoor development		14,326
Developing new or rehabilitating existing neighborhood or community park or recreational facilities		11,684
Benefit, education, and welfare of jail inmates		10,588
Library services		9,650
Fire safety projects and equipment		8,796
Law enforcement		7,931
Fingerprinting equipment purchase and operation		7,910
Parks and Recreation land acquisition, improvements, stewardship and other activities		4,925
Sheriff automated warrant system		4,729
Probation Department activities		4,019
Public Defender defense of indigent cases		3,902
Emergency medical services, various construction costs		3,531
Real estate fraud prosecution		3,017
Domestic violence and child abuse prevention		2,499
Sheriff law enforcement		2,211
Sheriff vehicle maintenance and replacement		1,947
Street and road lighting maintenance		1,369
Parole revocation proceedings		1,138
Equipment replacement/system enhancement Caller ID Remote Access Network		1,072
Projects, programs and services that benefit Crest - Dehesa - Harbison Canyon - Granite Hills sub-region		884
Retracement or remonument surveys, improvements for grazing lands, wildlife propagation and aviation purpose ca improvements and repairs	pital	667
Administration, operation and conservation of trails, paths or other facilities for off-highway motor vehicles		535
Acquisition, rehabilitation, construction and financing of courtrooms, courtroom building or court facilities		242
Probation community transition unit activities		205
Housing repairs and improvements		154
Social services child safety education		88
In home supportive services		83
Disaster related administration		44
Total Net Position Restricted for Laws or Regulations of Other Governments: Other Purposes	\$	201,536

NOTE 25

Risk Management

The County operates a Risk Management Program, whereby it is self-insured for general liability (California Government Code Section 990), medical malpractice (California Government Code Section 990.9), automobile liability (California Vehicle Code Section 16020(b)(4)) and workers' compensation (California Code of Regulations, Title 8, Section 15203.4). The County purchases insurance coverage for all risk

property losses, government crime insurance, including employee dishonesty and faithful performance, airport comprehensive liability, and aircraft hull and liability insurance. Settlements in the areas covered have not exceeded insurance coverage for each of the past three fiscal years.

The County's Employee Benefits and Public Liability Insurance Internal Service Funds (ISF) are used to report all of its uninsured risk management activities. Risk management liabilities are reported when it is probable that a loss has occurred and the amount of

(Amounts expressed in thousands unless otherwise noted)

that loss can be reasonably estimated. Actuarial evaluations were obtained which determine estimates of known and projected public liability and workers compensation claim liabilities. These evaluations include estimates for claims incurred but not reported; allocated and unallocated loss adjustment expenses; and amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

At June 30, 2013, these liabilities discounted for anticipated investment return (public liability of 1% and workers' compensation of 2.5%), totaled \$157 million, including \$24 million in public liability and \$133 million in workers' compensation. Changes in the balances of claim liabilities for fiscal year 2013 and 2012 are shown below:

Tabl	e 43		_
Risk Management - Changes		Claim Liabilit	ies
		2013	2012
Employee Benefits Fund			
Unpaid claims, July 1	\$	112,960 \$	106,563
Incurred claims		46,323	28,057
Claim payments		(26,779)	(21,660)
Unpaid claims, June 30	\$	132,504 \$	112,960
Public Liability Insurance Fund			
Unpaid claims, July 1	\$	25,879 \$	29,036
Incurred claims		(448)	4,245
Claim payments		(1,383)	(7,402)
Unpaid claims, June 30	\$	24,048 \$	25,879

NOTE 26 **Contingencies**

Litigation

The County has a potential liability of \$26.7 million that could result if unfavorable final decisions are rendered in numerous lawsuits to which the County is a named defendant. Appropriations are budgeted annually for those portions of obligations coming due that fiscal year.

Unrecorded Leave Benefits

County employees have unrecorded accumulated benefits of approximately \$175.73 million in sick leave, holiday and compensatory time. With the exception of sick leave for eligible employees, these benefits are not payable to employees upon termination and are

normally liquidated at year end or as employees elect to use their benefits per Civil Service rules and regulations. Accumulated vacation, sick leave, and compensatory time-off for which employees are eligible for payment upon separation have been recorded as liabilities in the appropriate proprietary funds and the statement of net position.

Federal and State Programs

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

NOTE 27

Joint Ventures

The San Diego Geographic Information Source (SanGIS) was created in July 1997 as a joint powers agreement between the City of San Diego and the County of San Diego. SanGIS objectives are to create and maintain a geographic information system; marketing and licensing compiled digital geographic data and software; providing technical services; and publishing geographic and land related information for the City and the County, other public agencies, and the private sector. It is governed by a Board of Directors consisting of the City Manager and the Chief Administrative Officer. SanGIS relies mostly on an annual budget of \$1.3 million shared equally by the City and the County to supplement its operating revenues. In its latest report, SanGIS reported an increase in net assets of \$80 thousand and ending net assets of \$320 thousand for the fiscal year ended June 30, 2012. The financial report may be obtained by writing to SanGIS at 5510 Overland Ave., Suite 230, San Diego CA 92123 or by calling (858) 874-7000 or by Email at webmaster@sangis.org.

The County is a participant with eighteen incorporated cities to operate the Unified San Diego County Emergency Services Organization for the purpose of providing regional planning and mutual assistance in the event of an emergency in the region including accidents involving hazardous waste. The organization is governed by the Unified Disaster Council (UDC) with one voting member from San Diego County Board of

(Amounts expressed in thousands unless otherwise noted)

Supervisors who serves as Chair of the Council, and a representative from each of the 18 incorporated cities. The County of San Diego Office of Emergency Services (OES) serves as staff to the UDC. OES is a liaison between the incorporated cities, the State Office of Services, the Federal Emergency Emergency Management Agency, and the American Red Cross. A contractual agreement requires that the cities and the County provide the total required funding each year; one half from the cities and the other half from the County. In its latest report, the organization reported a decrease in net assets of \$53 thousand and ending net assets of \$305 thousand for the fiscal year ended June 30, 2012. Separate financial statements may be obtained from the Operational Area Emergency Operations Center, 5555 Overland Ave., Suite 1911, San Diego CA 92123 or by calling (858) 565-3490.

The City of San Diego and the County of San Diego jointly formed a Consortium under the Workforce Investment Act of 1998 to provide regional employment and training services. The Consortium is governed by a five member board consisting of two members designated from the County Board of Supervisors, two members designated from the San Diego City Council and one member from the Board of Directors of United Way, a charitable organization. The board assigned the San Diego Workforce Partnership, Inc. as grant recipient and the administrative entity to operate the San Diego Consortium. The City and the County agreed to share equally any debt or liability incurred with respect to State and Federal grants. For the year ended June 30, 2012, the Partnership reported a decrease in net assets of \$201 thousand and ending net assets of \$435 thousand. Complete financial reports may be obtained by writing to the San Diego Workforce Partnership, 3910 University Ave., Suite 400, San Diego CA 92105 or by calling (619) 228-2900.

In November 2011, the County of San Diego, which oversees the San Diego County Regional Fire Authority, agreed to be a participant in the Heartland Fire Training Authority, to be effective July 1, 2012. The Authority includes eight other member agencies and was formed for the purposes of jointly equipping, maintaining, operating, and staffing to provide training of fire-fighting and emergency response personnel to member agencies. It is governed by a Commission that consists of elected officials from each agency and also a Board of Chiefs from each respective

agency. The District 2 County Supervisor serves as the County appointee on the Heartland Fire Training Authority Commission and the County's Fire Warden serves as the County appointee on the Heartland Fire Training Authority Board of Fire Chiefs. The training facility will be funded and operated by the joint powers agreement to supply shared resources of equipment, maintenance, operations, and training. In its latest report, Heartland Fire Training Authority reported a decrease in net assets of \$228 thousand and ending net assets of \$78 thousand for the fiscal year ended June 30, 2012. The financial report may be obtained by writing to Heartland Fire Training Authority at 1301 North Marshall Ave., El Cajon CA 92020 or by calling (619) 441-1693.

NOTE 28

Pension and Retiree Health Plans

Pension Plan

Plan Description

The County contributes to the San Diego County Employees Retirement Association pension plan, (SDCERA-PP), cost-sharing multiple-employer а defined benefit pension plan that is administered by SDCERA. The SDCERA-PP has five Tiers and provides retirement, disability, death and survivor benefits to its General and Safety members. Tier C is the current open system for most new members. Tiers I, A, and B are generally closed to new entrants but have active members and Tier II was eliminated for active members. The Retirement Act, (also referred to as the Retirement Law of 1937 and Government Code Section 31450 et.seq.), assigns the County Board of Supervisors the authority to establish and amend benefit provisions and assigns the SDCERA Board of Retirement the authority to approve retiree members and beneficiaries cost-of-living increases. (See note below regarding **SDCERA** Financial Report information.)

Funding Policy

The Retirement Act requires that County and member contributions be actuarially determined to provide a specific level of benefit. Contribution rates are expressed as a percentage of covered payroll and member rates vary according to age at entry, benefit tier level and certain negotiated contracts that provide for the County to pay a portion of members' contributions. California Government Code Section 31454 requires the Board of Supervisors to adjust the

(Amounts expressed in thousands unless otherwise noted)

rates of the San Diego County employer and employee retirement contributions in accordance with the recommendations of the Board of Retirement of SDCERA.

The actuarially determined rates adopted by SDCERA established the average member contribution rate at 10.80% for General Tiers I, A, and B; and Safety Tiers A and B members, combined, and set the employer contribution rate for the above categories combined at 29.96%. The General Tier C average member and employer contribution rates were established at 7.05% and 20.97%, respectively. The Safety Tier C average member and employer contribution rates were established at 12.58% and 32.76%, respectively. The Board of Supervisors chose to adopt non-Tier C employer contribution rates at a level higher than the levels recommended by the actuary in order to pay down the unfunded actuarial accrued liability (UAAL) of the retirement fund and to help position the County and other member employers for an expected further increase in rates in Fiscal Year 2013-14. The average employer contribution rate for all non-Tier C categories combined adopted by the Board of Supervisors was 31.24%.

CoSD employer contributions to SDCERA-PP for the three years ended June 30, 2013, which equaled or exceeded the required contributions are noted in Table 44.

Table 44 CoSD Employer Contributions - SDCERA - PP									
Annual Required Percentage Fiscal Year Ended Contribution Contributions ARC June 30 (ARC) Made Contributed									
2013	\$	273,852	\$ 281,548	102.8%					
2012		249,891	255,233	102.1%					
2011		186,979	214,978	115.0%					

Retiree Health Plan

Plan Description

Effective July 1, 2007, the County commenced contributing to the SDCERA retiree health plan, (SDCERA-RHP) a cost-sharing multiple-employer defined benefit health plan administered by SDCERA. The Retirement Act assigns the authority to establish and amend health allowance benefits to the SDCERA Board of Retirement. The retiree health plan provides a non-taxable health insurance allowance to Tier I and Tier II retirees. Health insurance allowances range from

\$200 per month to \$400 per month based on members' service credits. (See note below regarding SDCERA Financial Report information.)

Funding Policy

The SDCERA-RHP was established and is administered as an Internal Revenue Code Section 401(h) account within the defined benefit pension plan under the authority granted by the Retirement Act to the SDCERA Board of Retirement. The SDCERA-RHP is funded by employer contributions that are based on an actuarially determined 20 year level dollar amortization schedule. The health insurance allowance is not a vested benefit and may be reduced or discontinued at any time by the SDCERA Board of Retirement. Additionally, the total amount of employer contributions are limited by the provisions of 401(h).

CoSD's employer contributions to SDCERA-RHP for the three years ended June 30, 2013, which equaled or exceeded the required contributions, were the following:

Table 45 CoSD Employer Contributions - SDCERA-RHP									
Cosp Employer	Contribution	S - SDCEKA-K	HP						
Annual Required Percentage of Fiscal Year Ended Contribution Contributions ARC June 30 (ARC) Made Contributed									
		Made							
June 30	(ARC)	Made	Contributed						

SDCERA Financial Report

SDCERA issues a publicly available financial report that includes financial statements and required supplementary information for the SDCERA-PP and the SDCERA-RHP. The financial report may be obtained by writing to San Diego County Employees Retirement Association, 2275 Rio Bonito Way, Suite 200, San Diego, California 92108-1685 or by calling (619) 515-6800.

NOTE 29 **Fund Deficit**

	Table 46	
Fund Deficit At June 30, 2013		
Internal Service Fund: Employee Benefits Fund		\$ (28,648)

Notes to the Financial Statements (Amounts expressed in thousands unless otherwise noted)

The Employee Benefits Fund deficit of \$28.6 million resulted primarily from the accrual of the estimated liability and costs associated with the reported and unreported workers' compensation claims as prepared by an actuary for the reporting period ending June 30, 2013. The liability increased to \$132.5 million from the prior year's estimate of \$113.0 million. The County intends to reduce the deficit through increased premium rate charges to County departments by \$3.0 million per year in excess of projected operating expenses beginning in fiscal year 2014.

NOTE 30 Subsequent Events

Tax and Revenue Anticipation Notes

In July 2013, the County issued tax and revenue anticipation notes (TRANS) totaling \$60 million due June 30, 2014 at a coupon rate of 2.00% and a yield of 0.17%. Proceeds from the notes will be used to meet fiscal year 2014 cash flow requirements. Fiscal year 2014 unrestricted revenues collateralize the notes.

NOTE 31

County of San Diego Successor Agency Private Purpose Trust Fund for Assets of Former San Diego County Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld Assembly Bill x1 26 ("the Bill") that provided for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the County that previously had reported the San Diego County Redevelopment Agency (SDCRA) as a blended component unit.

The Bill provided that upon dissolution of a redevelopment agency, either the County or another unit of local government would agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 24, 2012, via Minute Order 14, the County Board of Supervisors designated the County as the successor agency to the SDCRA; in accordance with the Bill.

Subject to the control of an established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will continue to only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

After the date of dissolution, as allowed in the Bill, the County elected to retain the housing assets and functions previously performed by the former SDCRA. These assets and activities are accounted for in the County Housing Fund and are reported in the County's governmental fund financial statements. The remaining assets, liabilities, and activities of the dissolved SDCRA are reported in the County of San Diego Successor Agency Private Purpose Trust Fund (fiduciary fund) financial statements of the County.

Due To Other Funds

The County of San Diego Successor Agency Private Purpose Trust Fund's "Due To Other Funds" consists of the \$1.041 million Upper San Diego River Project and \$3.850 million Airport Projects loans made from the County's General Fund and Airport Enterprise Fund, respectively, to the former San Diego County Redevelopment Agency (SDCRA). Upon dissolution of the SDCRA on February 1, 2012, these loans were transferred to the County of San Diego Successor Agency Private Purpose Trust Fund. Interest accrues on the average quarterly outstanding balance, at a rate equal to the average County earned investment rate as determined by the County Treasurer. Under California Assembly Bills ABx1 26 and AB 1484, it is expected that the County Successor Agency will pay principal and interest on the loans outstanding when funds are available for this purpose. The timing and total amount of any repayment is subject to applicable law.

San Diego County Redevelopment Agency (SDCRA) Revenue Refunding Bonds

December 2005, the San Diego County Redevelopment Agency (SDCRA) issued \$16 million Revenue Refunding Bonds Series 2005A that mature in fiscal year 2033. The SDCRA has pledged property tax increment revenues generated within the Gillespie Field Project Area to pay for the bonds. Gillespie Field Airport revenues may also be used to fund debt service payments if there are insufficient property tax increment revenues to cover a particular fiscal year's debt service requirement. Bonds are also payable from funds held under the indenture, including earnings on such funds. Pursuant to California Assembly Bill ABx1 26, the responsibility for the payment of this debt was transferred to the County of San Diego Successor Agency Private Purpose Trust Fund.

SDCRA revenue refunding bonds outstanding at June 30, 2013 were the following:

Table 47 SDCRA Revenue Refunding Bonds											
Issuance	Final Maturity Date	В	utstanding alance at June 30, 2013								
Revenue Refunding Bonds Series 2005A	\$	16,000	3.65 - 5.75%	2033	\$	13,510					
Total	\$	16,000			\$	13,510					

Annual debt service requirements to maturity for SDCRA bonds are as follows:

Table 48 SDCRA Revenue Refunding Bonds - Debt Service Requirements to Maturity										
Fiscal Year Principal Interest Total										
2014	\$	415	728	\$ 1,143						
2015		430	708	1,138						
2016		455	686	1,141						
2017		475	662	1,137						
2018		500	637	1,137						
2019-2023		2,915	2,755	5,670						
2024-2028		3,790	1,847	5,637						
2029-2033		4,530	620	5,150						
Total	\$	13,510	8,643	\$ 22,153						
Less:										
Unamortized issuance discount		(33)								
Total	\$	13,477								

SDCRA pledged revenue for the year ended June 30, 2013 was as follows:

	Tab						
SDCRA Revenue Re	funding	Boı	nds -Ple	þ	ged Re	9 V	enues
					Fiscal Y	ea	r 2013
Dobt Bladged	Final Maturity Date	R	ledged evenue Maturity		Debt rincipal Interest Paid	Re	ledged evenue eceived
Debt Pledged	Dale	10	Maioniy		raia	ĸe	ceivea
Series 2005A Revenue Refunding Bonds	2033	\$	22,153	\$	1,144	\$	1,144

Changes in Long-Term Liabilities

Long-term liability activities for the year ended June 30, 2013 were as follows:

			Table 50					
SDCRA Changes in Long-Term Liabilities								
		Beginning nce at July 1, 2012	Additions	Reductions	EndingBalance at June 30, 2013	Amounts Due Within One Year		
SDCRA revenue refunding bonds Series 2005A	\$	13,905		(395)	13,510	\$ 415		
Unamortized issuance discounts		(35)		2	(33)	(2)		
Total Private Purpose Trust Fund Debt	\$	13,870		(393)	13,477	\$ 413		

(Amounts expressed in thousands unless otherwise noted)

NOTE 33

New Governmental Accounting Standards

Implementation Status

In November 2010, the GASB issued Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of publicprivate or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties.

This Statement applies only to those arrangements in which specific criteria determining whether a transferor has control over the facility are met. A transferor reports the facility subject to an SCA as its capital asset, generally following measurement, recognition, and disclosure guidance for capital assets. New facilities constructed or acquired by the operator or improvements to existing facilities made by the operator are reported at fair value by the transferor. A liability is recognized, for the present value of significant contractual obligations to sacrifice financial resources imposed on the transferor, along with a corresponding deferred inflow of resources. Revenue is recognized by the transferor in a systematic and rational manner over the term of the arrangement.

This Statement also provides guidance for governments that are operators in an SCA. The governmental operator reports an intangible asset at cost for its right to access the facility and collect thirdparty fees; it amortizes the intangible asset over the term of the arrangement in a systematic and rational manner. For existing facilities, a governmental operator's cost may be the amount of an up-front payment or the present value of installment payments. For new or improved facilities, a governmental operator's cost may be its cost of improving an existing facility or constructing or acquiring a new facility.

For revenue sharing arrangements, this Statement requires governmental operators to report all revenues and expenses. A transferor reports its portion of the shared revenues.

This Statement requires disclosures about an SCA including a general description of the arrangement and information about the associated assets, liabilities, and deferred inflows, the rights granted and retained, and guarantees and commitments.

This Statement is effective for periods beginning after December 15, 2011.

The application of the guidance for financial reporting and disclosures of service concession arrangements did not have a material impact on the County's basic financial statements.

In November 2010, the GASB issued Statement No. 61, The Financial Reporting Entity: Omnibus, amendment of GASB Statements No. 14 and No. 34. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, The Financial Reporting Entity, and the related financial reporting requirements of Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.

This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present the primary government and that between organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, this Statement clarifies the manner in which that determination should be made and the types of relationships that generally should be considered in making the determination.

This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. For component units that currently are

(Amounts expressed in thousands unless otherwise noted)

blended based on the "substantively the same governing body" criterion, it additionally requires that (1) the primary government and the component unit have a financial benefit or burden relationship or (2) management (below the level of the elected officials) of the primary government have operational responsibility (as defined in paragraph 8a) for the activities of the component unit. New criteria also are added to require blending of component units whose total debt outstanding is expected to be repaid entirely or almost entirely with resources of the primary government. The blending provisions are amended to clarify that funds of a blended component unit have the same financial reporting requirements as a fund of the primary government. Lastly, additional reporting guidance is provided for blending a component unit if the primary government is a business-type activity that uses a single column presentation for financial reporting.

This Statement also clarifies the reporting of equity interests in legally separate organizations. It requires a primary government to report its equity interest in a component unit as an asset.

The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012.

The County has implemented this Statement for the current fiscal year.

In December 2010, GASB issued Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.

The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

Financial Accounting Standards Board (FASB) Statements and Interpretations

Accounting Principles Board Opinions

Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

Hereinafter, these pronouncements collectively are referred to as the "FASB and AICPA pronouncements."

This Statement also supersedes Statement No. 20,

Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, thereby eliminating the election provided in paragraph 7 of that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011.

The County has implemented this Statement for the current fiscal year.

In June 2011, GASB issued Statement No. 63: Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.

This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, Elements of Financial Statements, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

Concepts Statement 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.

(Amounts expressed in thousands unless otherwise noted)

The County has implemented the portions of this statement pertaining to the standards for reporting net position. The remaining standards are not currently applicable.

Under Analysis

The County is currently analyzing its accounting practices to determine the potential impact on the financial statements for the followina GASB Statements:

In March 2012, GASB issued Statement No. 65: Items Previously Reported as Assets and Liabilities. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources. certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Concepts Statement No. 4, Elements of Financial Statements, introduced and defined the elements included in financial statements, including deferred outflows of resources and deferred inflows of resources. In addition, Concepts Statement 4 provides that reporting a deferred outflow of resources or a deferred inflow of resources should be limited to those instances identified by the Board in authoritative pronouncements that are established after applicable due process. Prior to the issuance of this Statement, only two such pronouncements have been issued. Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, requires the reporting of a deferred outflow of resources or a deferred inflow of resources for the changes in fair value of hedging derivative instruments, and Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, requires a deferred inflow of resources to be reported by a transferor government in a qualifying service concession arrangement. This Statement amends the financial statement element classification of certain items previously reported as assets and liabilities to be consistent with the definitions in Concepts Statement 4. This Statement also provides other financial reporting

guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

This Statement is effective for periods beginning after December 15, 2012.

In March 2012, GASB issued Statement No. 66: Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62. The objective of this Statement is to resolve conflicting accounting and financial reporting guidance that resulted from the issuance of two recent standards-Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This statement provides guidance on how to address conflicts in those pronouncements with Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues, and Statement No. 13, Accounting for Operating Leases with Scheduled Rent Increases.

The provisions of this Statement are effective for periods beginning after December 15, 2012.

In June 2012, GASB issued Statement No. 67: Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions.

This Statement is effective for fiscal years beginning after June 15, 2013.

This Statement does not apply to the basic financial statements of the County. The County contributes to a cost-sharing multiple-employer defined benefit pension plan.

In June 2012, GASB issued Statement No. 68: Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27. The primary

(Amounts expressed in thousands unless otherwise noted)

objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

This Statement establishes a definition of a pension plan that reflects the primary activities associated with the pension arrangement-determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due.

The scope of this Statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental through pension plans employers that administered through trusts that have the following characteristics:

Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.

Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.

Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/ expenditures. For defined benefit pensions, this

Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared. Employers are classified in one of the following categories for purposes of this Statement:

Single employers are those whose employees are provided with defined benefit pensions through singleemployer pension plans - pension plans in which pensions are provided to the employees of only one employer.

Agent employers are those whose employees are provided with defined benefit pensions through agent multiple-employer pension plans - pension plans in which plan assets are pooled for investment purposes but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees.

Cost-sharing employers are those whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans - pension plans in which the pension obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

In addition, this Statement details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. This Statement also addresses circumstances in which a nonemployer entity has a legal requirement to make contributions directly to a pension plan.

The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014.

In January 2013, the GASB issued Statement No. 69, Combinations Government and Disposals Government Operations. This Statement establishes

Notes to the Financial Statements (Amounts expressed in thousands unless otherwise noted)

accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

The distinction between a government merger and a government acquisition is based upon whether an exchange of significant consideration is present within the combination transaction. Government mergers include combinations of legally separate entities without the exchange of significant consideration. This Statement requires the use of carrying values to measure the assets and liabilities in a government merger. Conversely, government acquisitions are transactions in which a government acquires another entity, or its operations, in exchange for significant consideration. This Statement requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. This Statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. This Statement defines the term operations for purposes of determining the applicability of this Statement and requires the use of carrying values to measure the assets and liabilities in a transfer of operations.

A disposal of a government's operations results in the removal of specific activities of a government. This Statement provides accounting and financial reporting guidance for disposals of government operations that have been transferred or sold.

This Statement requires disclosures to be made about government combinations and disposals government operations to enable financial statement users to evaluate the nature and financial effects of those transactions.

The requirements of this Statement are effective for aovernment combinations and disposals government operations occurring in financial reporting periods beginning after December 15, 2013.

In April 2013, the GASB issued Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. Some governments extend financial guarantees for the obligations of another government, a not-for-profit entity, or a private entity without directly receiving equal or approximately exchange value in (a nonexchange transaction). As a part of this nonexchange financial guarantee, a government commits to indemnify the holder of the obligation if the entity that issued the obligation does not fulfill its payment requirements. Also, some governments issue obligations that are guaranteed by other entities in a nonexchange transaction. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows related to the guarantee expected to be incurred. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range.

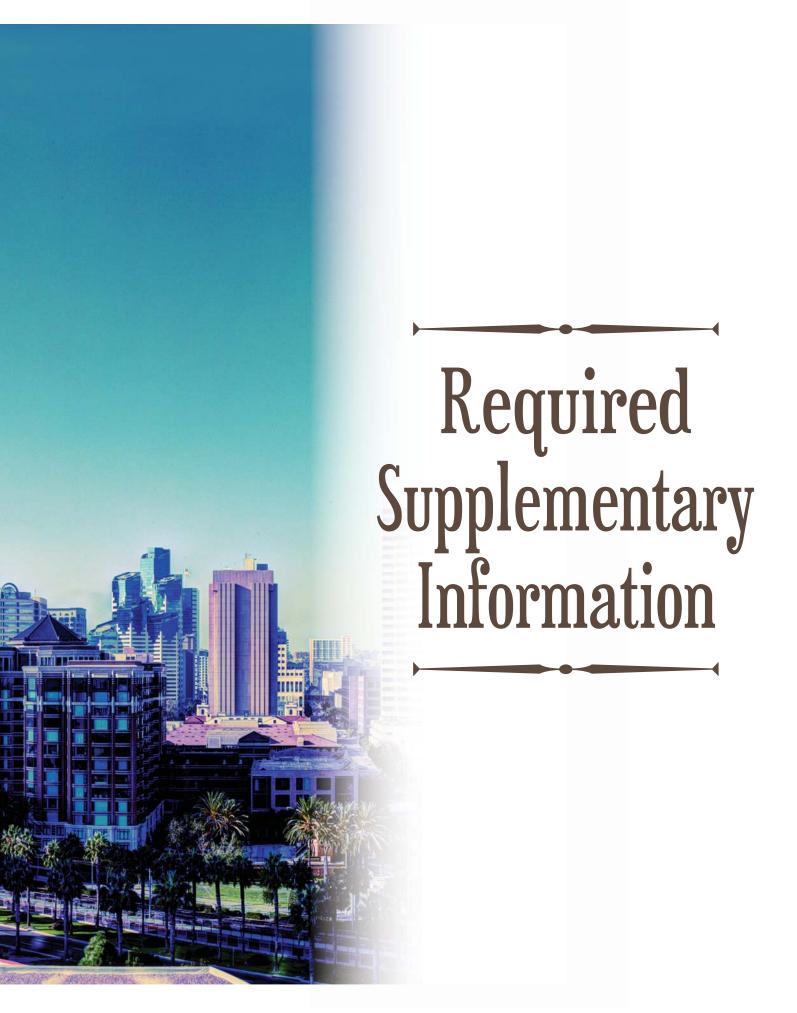
This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units.

This Statement specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. In addition, this Statement requires new information to be disclosed by governments that receive nonexchange financial auarantees.

Except for disclosures related to cumulative amounts paid or received in relation to a financial guarantee, the provisions of this Statement are required to be applied retroactively. Disclosures related to cumulative amounts paid or received in relation to a financial guarantee may be applied prospectively.

The provisions of this Statement are effective for reporting periods beginning after June 15, 2013.





SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - $\operatorname{\mathsf{BUDGET}}$ AND ACTUAL **General Fund**

(In Thousands)	Original Budget	Final Budget	Actual
Revenues:			
Taxes	\$ 894,262	894,262	904,358
Licenses, permits and franchise fees	41,563	41,563	43,255
Fines, forfeitures and penalties	55,793	55,943	45,523
Revenue from use of money and property	14,153	14,153	12,785
Aid from other governmental agencies:			
State	1,047,150	1,032,621	1,057,850
Federal	899,855	950,518	816,640
Other	65,097	59,072	116,303
Charges for current services	324,100	326,559	336,888
Other	31,861	32,396	27,122
Total revenues	3,373,834	3,407,087	3,360,724
Expenditures:			
Current:			
General government:			
Assessor/recorder/county clerk - finance	37,462	37,462	35,653
Auditor and controller	28,831	27,539	25,212
Auditor and controller - information technology management services	8,215	9,508	7,974
Board of supervisors district #1	1,300	1,500	1,248
Board of supervisors district #2	1,283	1,358	1,237
Board of supervisors district #3	1,259	1,418	1,142
Board of supervisors district #4	1,259	1,459	1,086
Board of supervisors district #5	1,374	1,526	1,345
Board of supervisors general office	1,073	1,073	1,023
Chief administrative office - legislative and administrative	4,299	4,299	4,135
Civil service commission	564	564	555
Clerk of the board of supervisors - legislative and administrative	3,263	3,274	3,010
Community enhancement	2,506	2,506	2,501
Community projects	6,763	6,429	5,827
Community services	7,684	7,564	1,843
Contributions to capital outlay			
County administration center major maintenance	78	78	72
County communications office	2,815	2,815	2,536
County counsel	22,340	22,340	21,134
County technology office	10,547	15,113	8,009
Countywide general expense	40,083	40,083	5,511
Finance and general government - legislative and administrative	4,080	1,580	1,549
Finance and general government - other general	32,605	34,105	9,899
Finance and general government group	2,330	3,330	2,918
Health and human services - legislative and administrative	712	712	441
Human resources - other general government	4,822	4,821	4,112
Human resources - personnel	19,962	19,961	15,788
Land use and environment - legislative and administrative	6,967	6,967	4,283
Public safety - legislative and administrative	9,298	9,298	6,446
Registrar of voters	19,628	19,628	18,420
Treasurer - tax collector	21,348	21,848	18,431
Total general government	\$ 304,750	310,158	213,340



SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL \footnote{A} **General Fund**

Continued Public protection: Agriculture, weights and measures \$ 15.097 15.017 14.100 14.000 14.000 15.017 14.100 14.000 14.000 15.017 14.100 14.000 14	For the Year Ended June 30, 2013 (In Thousands)			
Agriculture, weights and measures sealer 3,507 3,504 3,505 3,444 Assessor/recorder/country clerk - other protection 20,507 20,507 14,302 Child support 49,191 49,190 43,855 Child support 587 587 587 587 587 587 587 587 587 587		Original Budget	Final Budget	Actual
Agriculture, weights and measures - sealer 3.506 3.505 3.444 Assessor/recorder/county clerk - other protection 20,507 20,507 14,302 Child support 49,191 49,190 43,955 Citizens law enforcement review board 587 587 528 Contributions for frial courts 71,658 71,658 69,655 Department of animal services 15,144 15,331 14,424 District attroney-judicial 147,857 147,915 137,013 Crand jury 589 638 571 Local agency formation commission administration 342 342 342 Medical examiner 8,678 8,654 8,207 Office of emergency services 9,971 10,612 7,388 Planning and land use - other protection 29,731 11,067 8,879 Probation - duli defention 3,053 3,053 1,572 Probation - juvenile defention 45,449 43,446 Public works, general - other protection 25,188 25,738 17,638 <	Public protection:			
Assessor/recorder/county clerk - other protection	Agriculture, weights and measures	1'	·	•
Child support	Agriculture, weights and measures - sealer	1	·	•
Critizens law enforcement review board 587 587 528 Contributions for trial courts 71,658 71,658 69,655 Department of animal services 15,144 15,331 14,424 District attamesy-judicical 147,857 147,915 137,013 137,013 137,013 14,424 District attamesy-judicical 147,857 147,915 137,013 139,013 14,624	Assessor/recorder/county clerk - other protection	20,507	20,507	14,302
Contributions for trial courts 71,658 71,658 69,655 Department of animal services 15,144 15,331 14,704 District attorney-jucifical 147,857 147,915 137,013 Grand jury 589 638 571 Local agency formation commission administration 342 342 342 Medical examiner 8,678 8,654 8,207 Office of emergency services 9,971 10,612 7,368 Planning and development services 20,671 11,062 8,879 Planning and land use - other protection 3,053 3,053 1,572 Probation - death and acceptation and correction 142,512 142,137 128,062 Probation - juvenile detention 45,449 45,449 43,466 Public series - fire protection 25,188 25,738 17,638 Public works, flood control, soil and water, general 12,657 12,658 10,259 Public works, general - other protection 2,189 9,18 9,18 9,18 9,18 Shefff - police p		1	·	
Department of animal services 15,144 15,331 14,424 15 147,157 137,013				
District attomey-judicial 147,857 147,915 137,013 Grand Jury 589 638 571 Local agency formation commission administration 342 342 342 Medical examiner 8,678 8,654 8,207 Office of emergency services 9,971 10,612 7,368 Planning and lavelopment services 20,671 14,062 Planning and load use - other protection 29,731 11,067 8,879 Probation - adult detention 3,053 3,053 1,572 Probation - detention and correction 142,512 142,137 128,805 Probation - juverille detention 45,449 45,449 43,466 Public safety - fire protection 25,188 25,738 17,388 Public works, flood control, soil and water, general 12,657 12,658 10,259 Public works, general - other protection 205,413 204,630 203,747 Sheriff - adult detention 205,413 204,630 203,747 Sheriff - bolice protection 1,285,442 2,199	Contributions for trial courts			•
Grand jury 589 638 571 Local agency formation commission administration 342 342 342 Medical examiner 8.678 8.678 8.654 Office of emergency services 9,971 10.612 7.368 Planning and land use - other protection 29,731 11.067 8.879 Probation - adult detention 3.053 3.053 1.572 Probation - detention and correction 142,512 142,137 128,805 Probation - juvenile detention 45,449 45,449 43,466 Public defender 70,604 70,604 64,738 Public works, flood control, soil and water, general 12,657 12,658 10,259 Public works, general - other protection 918 918 7 Sheriff - adult detention 20,5413 204,630 203,747 Sheriff - other protection 2,487 2,584 2,199 Sheriff - other protection 2,487 2,584 2,199 Sheriff - other protection 2,287 402,510 409,745 <td< td=""><td>Department of animal services</td><td>1</td><td></td><td></td></td<>	Department of animal services	1		
Local agency formation commission administration 342 342 342 342 342 342 342 342 342 342 342 342 342 346 3676		1	·	
Medical examiner 8,678 8,654 8,207 Office of emergency services 9,971 10,612 7,368 Planning and development services 20,671 14,062 Planning and land use - other protection 29,731 11,067 8,879 Probation - adult detention 3,053 3,053 1,572 Probation - detention and correction 142,512 142,137 128,805 Probation - juvenile detention 45,449 45,449 43,466 Public sofety - fire protection 25,188 25,738 17,638 Public works, flood control, soil and water, general 12,657 12,658 10,259 Public works, general - other protection 918 918 27,73 Sheriff - other protection 20,433 20,374 2,458 10,259 Public works, general - other protection 2,487 2,584 2,199 Sheriff - other protection 1,283,649 1,293,211 1,178,229 Public works, dept of gen 1,285 645 176 Public works, dept of gen 1,285				
Office of emergency services 9,971 10,612 7,368 Planning and development services 20,671 14,062 Planning and land use - other protection 29,731 11,067 8,879 Probation - adult detention 3,053 3,053 1,572 Probation - juvenile detention 142,512 142,137 128,805 Problic or juvenile detention 45,449 43,446 Public defender 70,604 70,604 45,449 43,446 Public sofety - fire protection 25,188 25,738 17,638 Public works, flood control, soil and water, general 12,657 12,658 10,259 Public works, general - other protection 918 918 7 Sheriff - adult detention 205,413 204,630 203,747 Sheriff - potice protection 2,487 2,584 2,199 Sheriff - potice protection 1,283,649 1,293,211 1,178,229 Public works, general - public ways 9,10 1,583 1,265 Total public works, general - public ways 9,10 1,583	<u> </u>			
Planning and development services 20,671 14,062 Planning and land use - other protection 29,731 11,067 8,879 Probation - adult detention 3,053 3,053 1,572 Probation - detention and correction 142,512 142,137 128,805 Probation - juvenile detention 45,449 45,449 43,466 Public defender 70,604 70,604 64,738 Public works, flood control, soil and water, general 12,657 12,658 10,559 Public works, general - other protection 918 918 918 7 Sheriff - adult detention 205,413 204,630 203,747 Sheriff - other protection 2,487 2,584 2,199 Sheriff - other protection 40,2510 409,745 349,288 Total public protection 1,283,649 1,293,211 1,178,229 Public works, general - public ways 9,10 1,583 1,265 Total public works, general - public ways 9,10 1,583 1,265 Total public works, general - public ways	Medical examiner		8,654	
Planning and land use - other protection 29,731 11,067 8,879 Probation - adult detention 3,053 3,053 1,572 Probation - detention and correction 142,512 142,137 128,805 Probation - juvenile detention 45,449 45,449 43,466 Public defender 70,604 70,604 64,738 Public works, flood control, soil and water, general 12,657 12,658 10,259 Public works, general - other protection 918 918 7 Sheriff - adult detention 205,413 204,630 203,747 Sheriff - belie protection 2,487 2,584 2,199 Sheriff - police protection 402,510 409,745 369,288 Total public protection 1,283,649 1,293,211 1,178,229 Public works, dept of gen 1,285 645 176 Public works, general - public ways 910 1,583 1,265 Total public works and facilities 2,195 2,228 1,441 Health and sanitation: 5,200 5,2517	Office of emergency services	9,971		•
Probation - adult detention 3,053 3,053 1,572 Probation - detention and correction 142,512 142,137 128,805 Probation - juvenile detention 45,449 45,449 43,846 Public defender 70,604 70,604 64,738 Public safety - fire protection 25,188 25,738 17,638 Public works, glood control, soil and water, general 12,657 12,658 10,259 Public works, general - other protection 918 918 7 Sheriff - adult detention 205,413 204,630 203,747 Sheriff - other protection 2,487 2,584 2,199 Sheriff - other protection 402,510 409,745 362,88 Total public protection 1,283,649 1,293,211 1,178,229 Public works, dept of gen 1,285 645 176 Public works, general - public ways 910 1,583 1,265 Total public ways and facilities 2,195 2,228 1,441 Health and sanitation: 45,741 45,800 3	Planning and development services			
Probation - detention and correction 142,512 142,137 128,805 Probation - juvenille detention 45,449 45,449 43,466 Public defender 70,604 70,604 64,738 Public safety - fire protection 25,188 25,738 17,638 Public works, flood control, soil and water, general 12,657 12,658 10,259 Public works, general - other protection 918 918 7 Sheriff - adult detention 205,413 204,630 203,747 Sheriff - other protection 2,487 2,584 2,199 Sheriff - police protection 402,510 409,745 369,288 Total public protection 1,283,649 1,293,211 1,178,229 Public ways and facilities: 1,285 645 176 Public works, general - public ways 910 1,583 1,265 Total public works general - public ways 2,195 2,228 1,441 Health and sanitation: 45,741 45,800 37,292 Health and human services agency - health administration 1,50	Planning and land use - other protection	29,731	11,067	8,879
Probation - juvenile detention 45,449 45,449 43,466 Public defender 70,604 70,604 64,738 Public safety - fire protection 25,188 25,738 17,638 Public works, flood control, soil and water, general 12,657 12,658 10,259 Public works, general - other protection 918 918 7 Sheriff - adult detention 205,413 204,630 203,747 Sheriff - police protection 2,487 2,584 2,199 Sheriff - police protection 402,510 409,745 369,288 Total public protection 1,283,649 1,293,211 1,178,229 Public ways and facilities: 2,185 645 176 Public works, dept of gen 1,285 645 176 Public works, general - public ways 910 1,583 1,265 Total public works agency - drug and alcohol abuse services 60,150 56,200 52,517 Health and human services agency - health 157,037 153,905 128,624 Health and human services agency - mental health	Probation - adult detention	3,053	3,053	1,572
Public defender 70,604 70,604 64,738 Public safety - fire protection 25,188 25,738 17,638 Public works, flood control, soil and water, general 112,657 12,658 10,259 Public works, general - other protection 918 918 7 Sheriff - adult detention 205,413 204,630 203,747 Sheriff - other protection 2,487 2,584 2,199 Sheriff - oblice protection 402,510 409,745 369,288 Total public protection 1,283,649 1,293,211 1,178,229 Public ways and facilities: 31,285 645 176 Public works, dept of gen 1,285 645 176 Public works, general - public ways 910 1,583 1,265 Total public ways and facilities 2,195 2,228 1,441 Health and sanitation: 31,285 645 176 Environmental health 45,741 45,800 37,292 Health and human services agency - health administration 1,302 1,302 82	Probation - detention and correction	142,512	142,137	128,805
Public safety - fire protection 25,188 25,738 17,638 Public works, flood control, soil and water, general 12,657 12,658 10,259 Public works, general - other protection 918 918 7 Sheriff - adult detention 205,413 204,630 203,747 Sheriff - other protection 2,487 2,584 2,199 Sheriff - police protection 402,510 409,745 369,288 Total public protection 1,283,649 1,293,211 1,178,229 Public ways and facilities: 2 1,285 645 176 Public works, general - public ways 910 1,583 1,265 Total public works and facilities: 2,195 2,228 1,441 Health and sanitation: 2,195 2,228 1,441 Environmental health 45,741 45,800 37,292 Health and human services agency - drug and alcohol abuse services 60,150 56,200 52,517 Health and human services agency - health administration 1,302 1,302 829 Health and human	Probation - juvenile detention	45,449	45,449	43,466
Public works, flood control, soil and water, general 12,657 12,658 10,259 Public works, general - other protection 918 918 7 Sheriff - adult detention 205,413 204,630 203,747 Sheriff - other protection 2,584 2,199 402,510 409,745 369,288 Total public protection 1,283,649 1,293,211 1,178,229 Public ways and facilities:	Public defender	70,604	70,604	64,738
Public works, general - other protection 918 918 7 Sheriff - adult detention 205,413 204,630 203,747 Sheriff - other protection 2,487 2,584 2,199 Sheriff - police protection 402,510 409,745 369,288 Total public protection 1,283,649 1,293,211 1,178,229 Public ways and facilities: 1,285 645 176 Public works, dept of gen 1,285 645 176 Public works, general - public ways 910 1,583 1,265 Total public ways and facilities: 2,195 2,228 1,441 Health and sanitation: 2,195 2,228 1,441 Health and sanitation: 45,741 45,800 37,292 Health and human services agency - drug and alcohol abuse services 60,150 56,200 52,517 Health and human services agency - health administration 1,302 1,302 829 Health and human services agency - medical care 208,654 263,199 268,533 Health and sanitation 807,056 <td>Public safety - fire protection</td> <td>25,188</td> <td>25,738</td> <td>17,638</td>	Public safety - fire protection	25,188	25,738	17,638
Sheriff - adult detention 205,413 204,630 203,747 Sheriff - other protection 2,487 2,584 2,199 Sheriff - police protection 402,510 409,745 369,288 Total public protection 1,283,649 1,293,211 1,178,229 Public ways and facilities: *** *** *** Public works, dept of gen 1,285 645 176 Public ways and facilities 910 1,583 1,265 Total public ways and facilities 2,195 2,228 1,441 Health and sanitation: *** *** *** 1,285 645 176 1,265 1,285 645 1,26	Public works, flood control, soil and water, general	12,657	12,658	10,259
Sheriff - other protection 2,487 2,584 2,199 Sheriff - police protection 402,510 409,745 369,288 Total public protection 1,283,649 1,293,211 1,178,229 Public ways and facilities:	Public works, general - other protection	918	918	7
Sheriff - police protection 402,510 409,745 369,288 Total public protection 1,283,649 1,293,211 1,178,229 Public ways and facilities:	Sheriff - adult detention	205,413	204,630	203,747
Total public protection 1,283,649 1,293,211 1,178,229 Public ways and facilities: 910 1,285 645 176 Public works, general - public ways 910 1,583 1,265 Total public ways and facilities 2,195 2,228 1,441 Health and sanitation: 2,195 2,228 1,441 Health and senitation: 80,150 56,200 52,517 Health and human services agency - drug and alcohol abuse services 60,150 56,200 52,517 Health and human services agency - health administration 1,302 13,905 128,624 Health and human services agency - health administration 1,302 1,302 829 Health and human services agency - medical care 208,654 263,199 268,533 Health and human services agency - mental health 334,172 318,322 301,909 Total health and sonitation 807,056 838,728 789,704 Public assistance: 807,056 838,728 789,704 Health and human services agency - social administration 729,434 727,647 </td <td>Sheriff - other protection</td> <td>2,487</td> <td>2,584</td> <td>2,199</td>	Sheriff - other protection	2,487	2,584	2,199
Public ways and facilities: 1,285 645 176 Public works, dept of gen 1,285 645 176 Public works, general - public ways 910 1,583 1,265 Total public ways and facilities 2,195 2,228 1,441 Health and sonitation: 2,195 2,228 1,441 Health and sonitation: 5,741 45,800 37,292 Health and human services agency - drug and alcohol abuse services 60,150 56,200 52,517 Health and human services agency - health 157,037 153,905 128,624 Health and human services agency - health administration 1,302 1,302 829 Health and human services agency - medical care 208,654 263,199 268,533 Health and human services agency - mental health 334,172 318,322 301,909 Total health and sanitation 807,056 838,728 789,704 Public assistance: 9 46,834 368,366 339,284 Health and human services agency - other assistance 383,494 368,366 339,284 </td <td>Sheriff - police protection</td> <td>402,510</td> <td>409,745</td> <td>369,288</td>	Sheriff - police protection	402,510	409,745	369,288
Public works, dept of gen 1,285 645 176 Public works, general - public ways 910 1,583 1,265 Total public ways and facilities 2,195 2,228 1,441 Health and sanitation: Environmental health 45,741 45,800 37,292 Health and human services agency - drug and alcohol abuse services 60,150 56,200 52,517 Health and human services agency - health administration 157,037 153,905 128,624 Health and human services agency - health administration 1,302 1,302 829 Health and human services agency - medical care 208,654 263,199 268,533 Health and human services agency - mental health 334,172 318,322 301,909 Total health and sanitation 807,056 838,728 789,704 Public assistance: 807,056 838,494 368,366 339,284 Health and human services agency - other assistance 383,494 368,366 339,284 Health and human services agency - veterans' services 916 916 916 Health and human services agency - veterans' services 916 916 <td< td=""><td>Total public protection</td><td>1,283,649</td><td>1,293,211</td><td>1,178,229</td></td<>	Total public protection	1,283,649	1,293,211	1,178,229
Public works, general - public ways 910 1,583 1,265 Total public ways and facilities 2,195 2,228 1,441 Health and sanitation: Environmental health 45,741 45,800 37,292 Health and human services agency - drug and alcohol abuse services 60,150 56,200 52,517 Health and human services agency - health 157,037 153,905 128,624 Health and human services agency - health administration 1,302 1,302 829 Health and human services agency - medical care 208,654 263,199 268,533 Health and human services agency - mental health 334,172 318,322 301,909 Total health and sanitation 807,056 838,728 789,704 Public assistance: Health and human services agency - other assistance 383,494 368,366 339,284 Health and human services agency - social administration 729,434 727,647 670,887 Health and human services agency - veterans' services 916 916 917 Housing authority 33,125 32,544 17,361	Public ways and facilities:			
Total public ways and facilities 2,195 2,228 1,441 Health and sanitation: Environmental health 45,741 45,800 37,292 Health and human services agency - drug and alcohol abuse services 60,150 56,200 52,517 Health and human services agency - health 157,037 153,905 128,624 Health and human services agency - health administration 1,302 1,302 829 Health and human services agency - medical care 208,654 263,199 268,533 Health and human services agency - mental health 334,172 318,322 301,909 Total health and sanitation 807,056 838,728 789,704 Public assistance: Health and human services agency - other assistance 383,494 368,366 339,284 Health and human services agency - social administration 729,434 727,647 670,887 Health and human services agency - veterans' services 916 916 917 Housing authority 33,125 32,544 17,361 Probation - care of court wards 10,200 10,800 11,091	Public works, dept of gen	1,285	645	176
Health and sanitation: 45,741 45,800 37,292 Health and human services agency - drug and alcohol abuse services 60,150 56,200 52,517 Health and human services agency - health 157,037 153,905 128,624 Health and human services agency - health administration 1,302 1,302 829 Health and human services agency - medical care 208,654 263,199 268,533 Health and human services agency - mental health 334,172 318,322 301,909 Total health and sanitation 807,056 838,728 789,704 Public assistance: 383,494 368,366 339,284 Health and human services agency - other assistance 383,494 368,366 339,284 Health and human services agency - veterans' services 916 916 917 Housing authority 33,125 32,544 17,361 Probation - care of court wards 10,200 10,800 11,091	Public works, general - public ways	910	1,583	1,265
Environmental health 45,741 45,800 37,292 Health and human services agency - drug and alcohol abuse services 60,150 56,200 52,517 Health and human services agency - health 157,037 153,905 128,624 Health and human services agency - health administration 1,302 829 Health and human services agency - medical care 208,654 263,199 268,533 Health and human services agency - mental health 334,172 318,322 301,909 Total health and sanitation 807,056 838,728 789,704 Public assistance: 807,056 838,494 368,366 339,284 Health and human services agency - other assistance 383,494 368,366 339,284 Health and human services agency - social administration 729,434 727,647 670,887 Health and human services agency - veterans' services 916 916 917 Housing authority 33,125 32,544 17,361 Probation - care of court wards 10,200 10,800 11,091	Total public ways and facilities	2,195	2,228	1,441
Health and human services agency - drug and alcohol abuse services 60,150 56,200 52,517 Health and human services agency - health 157,037 153,905 128,624 Health and human services agency - health administration 1,302 1,302 829 Health and human services agency - medical care 208,654 263,199 268,533 Health and human services agency - mental health 334,172 318,322 301,909 Total health and sanitation 807,056 838,728 789,704 Public assistance: Health and human services agency - other assistance 383,494 368,366 339,284 Health and human services agency - social administration 729,434 727,647 670,887 Health and human services agency - veterans' services 916 916 917 Housing authority 33,125 32,544 17,361 Probation - care of court wards 10,200 10,800 11,091	Health and sanitation:			
Health and human services agency - health 157,037 153,905 128,624 Health and human services agency - health administration 1,302 1,302 829 Health and human services agency - medical care 208,654 263,199 268,533 Health and human services agency - mental health 334,172 318,322 301,909 Total health and sanitation 807,056 838,728 789,704 Public assistance: 916 368,366 339,284 Health and human services agency - other assistance 383,494 368,366 339,284 Health and human services agency - social administration 729,434 727,647 670,887 Health and human services agency - veterans' services 916 916 917 Housing authority 33,125 32,544 17,361 Probation - care of court wards 10,200 10,800 11,091	Environmental health	45,741	45,800	37,292
Health and human services agency - health administration 1,302 1,302 829 Health and human services agency - medical care 208,654 263,199 268,533 Health and human services agency - mental health 334,172 318,322 301,909 Total health and sanitation 807,056 838,728 789,704 Public assistance:	Health and human services agency - drug and alcohol abuse services	60,150	56,200	52,517
Health and human services agency - medical care 208,654 263,199 268,533 Health and human services agency - mental health 334,172 318,322 301,909 Total health and sanitation 807,056 838,728 789,704 Public assistance:	Health and human services agency - health	157,037	153,905	128,624
Health and human services agency - mental health 334,172 318,322 301,909 Total health and sanitation 807,056 838,728 789,704 Public assistance:	Health and human services agency - health administration	1,302	1,302	829
Total health and sanitation 807,056 838,728 789,704 Public assistance: Health and human services agency - other assistance 383,494 368,366 339,284 Health and human services agency - social administration 729,434 727,647 670,887 Health and human services agency - veterans' services 916 916 917 Housing authority 33,125 32,544 17,361 Probation - care of court wards 10,200 10,800 11,091	Health and human services agency - medical care	208,654	263,199	268,533
Public assistance: 383,494 368,366 339,284 Health and human services agency - other assistance 729,434 727,647 670,887 Health and human services agency - veterans' services 916 916 917 Housing authority 33,125 32,544 17,361 Probation - care of court wards 10,200 10,800 11,091	Health and human services agency - mental health	334,172	318,322	301,909
Health and human services agency - other assistance 383,494 368,366 339,284 Health and human services agency - social administration 729,434 727,647 670,887 Health and human services agency - veterans' services 916 916 917 Housing authority 33,125 32,544 17,361 Probation - care of court wards 10,200 10,800 11,091	Total health and sanitation	807,056	838,728	789,704
Health and human services agency - social administration729,434727,647670,887Health and human services agency - veterans' services916916917Housing authority33,12532,54417,361Probation - care of court wards10,20010,80011,091	Public assistance:			
Health and human services agency - veterans' services 916 916 917 Housing authority 33,125 32,544 17,361 Probation - care of court wards 10,200 10,800 11,091	Health and human services agency - other assistance	383,494	368,366	339,284
Housing authority 33,125 32,544 17,361 Probation - care of court wards 10,200 10,800 11,091	Health and human services agency - social administration	729,434	727,647	670,887
Probation - care of court wards 10,200 10,800 11,091	Health and human services agency - veterans' services	916	916	917
	Housing authority	33,125	32,544	17,361
Total public assistance 1,157,169 1,140,273 1.039,540	Probation - care of court wards	10,200	10,800	
	Total public assistance	1,157,169	1,140,273	1,039,540



SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FI BUDGET AND ACTUAL General Fund	UND BALANCE -		
For the Year Ended June 30, 2013 (In Thousands) (Continued)	Original Budget	Final Budget	Actual
Education:			
Agriculture, weights and measures	952	1,032	948
Total education	952	1,032	948
Recreation and cultural:			
Parks and recreation	32,989	33,516	28,732
Total recreation and cultural	\$ 32,989	33,516	28,732
Contingency reserve	\$ 20,000	20,000	
Capital outlay	20,405	25,222	17,599
Debt service:			
Principal	28,198	28,386	24,670
Interest	22,840	22,942	19,203
Total expenditures	3,680,203	3,715,696	3,313,406
Excess (deficiency) of revenues over (under) expenditures	(306,369)	(308,609)	47,318
Other financing sources (uses):			
Sale of capital assets			71
Transfers in	275,332	267,244	263,203
Transfers out	(483,468)	(478,629)	(196,867)
Total other financing sources (uses)	(208,136)	(211,385)	66,407
Net change in fund balances	(514,505)	(519,994)	113,725
Fund balances at beginning of year	1,487,847	1,487,847	1,487,847
Increase (decrease) in nonspendable inventories		(150)	(150)
Fund balances at end of year	\$ 973,342	967,703	1,601,422

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL **Public Safety Fund**

(in inousanas)				
	Original B	udget	Final Budget	Actual
Revenues:				
Aid from other governmental agencies:				
State	\$	220,537	219,818	237,733
Total revenues		220,537	219,818	237,733
Expenditures:				
Current:				
Public protection:				
Public safety (Prop 172)		1,500	1,500	
Total public protection		1,500	1,500	
Total expenditures		1,500	1,500	
Excess (deficiency) of revenues over (under) expenditures		219,037	218,318	237,733
Other financing sources (uses):				
Transfers out	(2	228,992)	(228,273)	(224,667)
Total other financing sources (uses)	(2	228,992)	(228,273)	(224,667)
Net change in fund balances		(9,955)	(9,955)	13,066
Fund balances at beginning of year		42,311	42,311	42,311
Fund balances at end of year	\$	32,356	32,356	55,377

SCHEDULE OF REVENUES, EXPENDITURES, ANDCHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Tobacco Endowment Fund

(In Thousands)				
	Orig	inal Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	\$	10,500	10,500	820
Total revenues		10,500	10,500	820
Expenditures:				
Current:				
General government:				
Tobacco settlement		3,300	3,300	139
Total general government		3,300	3,300	139
Total expenditures		3,300	3,300	139
Excess (deficiency) of revenues over (under) expenditures		7,200	7,200	681
Other financing sources (uses):				
Transfers out		(24,200)	(24,200)	(24,189)
Total other financing sources (uses)		(24,200)	(24,200)	(24,189)
Net change in fund balances		(17,000)	(17,000)	(23,508)
Fund balances at beginning of year		370,878	370,878	370,878
Fund balances at end of year	\$	353,878	353,878	347,370

Budgetary Information

General Budget Policies

An operating budget is adopted each fiscal year by the Board of Supervisors for the governmental funds. The annual resolution adopts the budget at the object level of expenditures within departments. Annual budgets are not required to be adopted for the Tobacco Securitization Joint Special Revenue Fund; and the Debt Service and Capital Projects Funds aovernmental funds). Certain appropriations are budgeted on a project or program basis. If such projects or programs are not completed at the end of the fiscal year, unexpended appropriations, including encumbered funds, are carried forward to the following year with the approval of the Board of Supervisors.

Appropriations may also be adjusted during the year with the approval of the Board of Supervisors. Additionally, the Deputy Chief Administrative Officer/ Auditor and Controller is authorized to approve certain transfers and revisions of appropriations within a department. Such adjustments are reflected in the final budgetary data. Accordingly, the legal level of budgetary control by the Board of Supervisors is the department level.

The schedule of revenues, expenditures, and changes in fund balance - budget and actual for the General Fund, Public Safety Fund and the Tobacco Endowment Fund that is presented as Required prepared Supplementary Information was accordance with generally accepted accounting principles (GAAP).

The Original Budget consists of the adopted budget plus the budget carried forward from the prior fiscal year. Accordingly, encumbrances that are subject to automatic re-appropriation are included as part of the original budget. The County adopts its budget subsequent to the start of the each new fiscal year by mid-August. The final budget includes the original budget plus amended budget changes occurring during the fiscal year.

The Actual column represents the actual amounts of revenue and expenditures reported on a GAAP basis which is the same basis that is used to present the aforementioned original and final budget.





Combining & Individual Fund Information and Other Supplementary Information

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Air Pollution Fund

This fund was established to provide for control of air pollution from motor vehicles and other sources in order to attain health based air quality standards. Revenue sources include license and permit fees, fines, state and federal funds, charges to property owners and vehicle registration fees. This fund is restricted for air pollution activities.

Asset Forfeiture Program Fund

This fund was established to account for the proceeds of the assets that were seized and forfeited by law enforcement agencies during the investigation of criminal activities. These monies and the investment income derived therefrom are used for activities that enhance public safety and security and for the prevention, investigation, and apprehension of criminal law violators. This fund is restricted for law enforcement activities.

County Housing Fund

Pursuant to the provisions of California Assembly Bill ABx1 26, the County elected to assume the housing functions and take over the housing assets of the former San Diego County Redevelopment Agency, along with the related rights, powers, liabilities, duties and obligations. As a result, this fund was created on February 1, 2012, and the use of this fund is restricted for housing activities.

County Library Fund

This fund was established to provide library services for the unincorporated area as well as 11 of the incorporated cities within the county. Property taxes provide most of the fund's revenues; aid from other governmental agencies, grants and revenues from library services provide the remaining principal revenues. This fund is restricted for library services.

County Service District Funds

These special district funds were established to provide authorized services such as road, park, lighting maintenance, fire protection or ambulance service to specific areas in the county. They are financed by ad valorem property taxes in the area benefited or by special assessments levied on specific properties. They also derive revenue from cities and from services provided to property owners. This fund is restricted for road, park lighting maintenance, fire protection and ambulance services.

Edgemoor Development Fund

This fund was established pursuant to Board Policy F-38, which provides guidelines for the use, development and disposition of the County's 326 acres of property located in the City of Santee, known as the Edgemoor Property. Future development plans of the Edgemoor Property may include parks, a library, housing, a fire station, post office and others. Revenues are derived from the sale or lease of land within the Edgemoor property, and these revenues are to be used for the reconstruction of the Edgemoor Skilled Nursing Facility. A portion of these reconstruction costs include an annual transfer to reimburse the General Fund for annual lease payments associated with two series of certificates of participation, one sold in 2005 and the other in 2006, to fund the redevelopment of the Edgemoor Skilled Nursing Facility, which was completed in 2009. The federal reimbursements with the SB 1128 program are also deposited into this fund. This fund is restricted for Edgemoor development.

Flood Control District Fund

This fund was established to account for revenues and expenditures related to providing flood control in the county. It is financed primarily by ad valorem property taxes. This fund is restricted for flood control future drainage improvements.

Housing Authority Fund

This fund was established to account for revenues and expenditures of programs administered by the Housing Authority. These programs assist individuals and families to reside in decent, safe, and sanitary housing. The U.S.

Department of Housing and Urban Development (HUD) provides the majority of the funding for the Housing Authority's program expenditures.

In Home Supportive Services Public Authority **Fund (IHSSPA)**

This authority was established for the administration of the IHSSPA registry, investigation of the qualifications and background of potential registry personnel, referral of registry personnel to IHSSPA recipients and the provision for training of providers and recipients. The authority is funded by the State's social services realignment fund, federal and state programs. The monies are initially deposited into the County's General Fund, and transferred to the IHSSPA fund. This fund is restricted for in home supportive services.

Inactive Wastesites Fund

This fund was established to receive one-time homeowner association deposits and residual funds from the sale of the County's Solid Waste System. Expenditures include repairs, maintenance and care for the County's inactive landfill sites in accordance with all applicable governmental regulations, laws and guidelines. This fund is committed to landfill closure, postclosure and inactive landfill maintenance.

Inmate Welfare Program Fund

This fund was established to receive telephone and other vending commissions and profits from stores operated in connection with the county jails. Fund expenditures, by law, must be solely for the benefit, education and welfare of confined inmates. This fund is restricted for the benefit, education, and welfare of jail inmates.

Lighting Maintenance District Fund

This fund was established to provide street and road lighting services to specified areas of the County. Revenue sources include ad valorem taxes, benefit fees, state funding and charges to property owners. This fund is restricted for street and road lighting maintenance.

Other Special Districts Funds

These funds were established to receive user fees, land lease revenues and fines. The activities (expenditures) of this fund are restricted for retracement or remonument surveys, improvements for grazing lands, wildlife propagation and aviation purpose capital improvements and repairs.

Park Land Dedication Fund

This fund was established to receive and expend special park land dedication fees from developers of land as a condition for approval of any development. The fees may be used for the purchase of land and the development of land for active park or recreational facilities. These facilities serve the future residents of such developments and the greater county at large. In lieu of the payment of these fees, the developer may dedicate land for active park or recreational facilities. This fund is restricted, as per the Park Land Dedication Ordinance, to developing new or rehabilitating existing neighborhood or community recreational facilities.

Road Fund

This fund was established to provide for maintenance and construction of roadways and for specialized engineering services to other governmental units and the public. Revenues consist primarily of the County's share of state highway user taxes and are supplemented by federal funds, vehicle code fines, and fees and reimbursements for engineering services provided. This fund is restricted for future road improvements.

Tobacco Securitization Joint Special Revenue Fund

The Tobacco Securitization Joint Special Revenue Fund accounts for the transactions of the San Diego County Tobacco Asset Securitization Corporation and Tobacco Securitization Authority of Southern California, two component units, that are blended into the County's financial statements. This fund is funded by restricted tobacco settlement revenues.

DEBT SERVICE FUNDS

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated.

Pension Obligation Bonds Fund

This fund receives payments from the County and other agencies for payment of principal and interest due on taxable pension obligation bonds. The debt issue was used to satisfy the County's requirement to amortize the unfunded actuarial accrued liability with respect to retirement benefits accruing to members of the San Diego County Employees Retirement Association. This fund is restricted for debt service.

San Diego Regional Building Authority Fund

This fund receives rental payments based on the lease agreement from the purchase San Miguel Consolidated Fire Protection District (SMCFPD) for payment of principal and interest due on lease revenue bonds issued for the SMCFPD; secured by the lease purchase payments. This fund also receives interest on monies invested in permissible investments as directed by each San Diego Regional Building Authority (SDRBA) financing's Trust indenture. Debt service payments made in this fund also include payments not accounted for in the County's General Fund related to SDRBA debt issuances; and are secured by interest earnings on the aforementioned permissible investments. This fund is restricted for debt service.

SANCAL Fund

This fund receives interest on monies invested in permissible investments as directed by each San Diego County Capital Asset Leasing Corporation (SANCAL) financing's Trust indenture. Debt service payments made in this fund are secured by the aforementioned interest earnings and represent payments not accounted for in the County's General Fund related to SANCAL debt issuances. This fund is restricted for debt service.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Capital Outlay Fund

This fund is used exclusively to finance the acquisition, construction and completion of permanent public improvements, including public buildings; and for the costs of acquiring land and permanent improvements. Revenues are obtained from grants; and contributions from other funds when approved by the Board of Supervisors. This fund is committed to capital projects.

San Diego Regional Building Authority Fund

This fund is used to account for the expenditures of the proceeds from the sale of lease revenue bonds of the San Diego Regional Building Authority used for the acquisition and construction of permanent buildings by the County. This fund is restricted for capital projects per various debt covenants.

SANCAL Fund

This fund is used to account for the expenditures of the proceeds from the sale of certificates of participation of the San Diego Capital Asset Leasing Corporation used to pay construction costs for the County Administration Center Waterfront Park. This fund is restricted for capital projects per various debt covenants.

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

(iii iiioosaiias)				Total Nonmajor
	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Governmental Funds
ASSETS				
Pooled cash and investments	\$ 315,674	12,490	53,390	381,554
Receivables, net	61,670	198	342	62,210
Property taxes receivables, net	454			454
Due from other funds	8,197	141	19,985	28,323
Inventories	1,323			1,323
Deposits with others	435			435
Prepaid items	425			425
Restricted assets:				
Cash with fiscal agents	545			545
Investments with fiscal agents	47,817	15,475		63,292
Lease receivable		6,227		6,227
Total assets	436,540	34,531	73,717	544,788
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	7,745	3	17,533	25,281
Accrued payroll	2,465			2,465
Due to other funds	8,057		7,105	15,162
Deferred revenues	38,376	6,227		44,603
Unearned revenue	6,676			6,676
Total liabilities	63,319	6,230	24,638	94,187
FUND BALANCES				
Nonspendable:				
Not in spendable form:				
Loans, due from other funds and prepaids	3,842			3,842
Inventories and deposits with others	1,758			1,758
Restricted for:				
Creditors - Debt service	48,067	28,301		76,368
Creditors - Capital projects			42,462	42,462
Grantors - Housing assistance	27,818			27,818
Laws or regulations of other governments:				
Future road improvements	113,762			113,762
Fund purpose	94,525			94,525
Other purposes	23,640			23,640
Committed to:				
Capital projects' funding			6,617	6,617
Other purposes	59,809			59,809
Total fund balances	373,221	28,301	49,079	450,601
Total liabilities and fund balances	\$ 436,540	34,531	73,717	544,788

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS **Special Revenue Funds**

(iii iiioosaiias)						
	Air Pollution Fund	Asset Forfeiture Program Fund	County Housing Fund	County Library Fund	County Service District Funds	Edgemoor Development Fund
ASSETS						
Pooled cash and investments	\$ 23,749	8,207		11,546	19,655	9,757
Receivables, net	2,409	7	3,932	35	146	13
Property taxes receivables, net				352	44	
Due from other funds	9	32		38	9	4,573
Inventories	189	60		37	35	
Deposits with others						
Prepaid items			234			
Restricted assets:						
Cash with fiscal agents						
Investments with fiscal agents						
Total assets	26,356	8,306	4,166	12,008	19,889	14,343
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	1,550	22		231	1,717	7
Accrued payroll	492			649		
Due to other funds	430	247		666	339	10
Deferred revenues	14		515	349	41	
Unearned revenue	3,157	46		426	54	
Total liabilities	5,643	315	515	2,321	2,151	17
FUND BALANCES						
Nonspendable:						
Not in spendable form:						
Loans, due from other funds and						
prepaids			3,651			
Inventories and deposits with others	189	60		37	35	
Restricted for:						
Creditors - Debt service						
Grantors - Housing assistance						
Laws or regulations of other governments:						
Future road improvements						
Fund purpose	20,524	7,931		9,650	17,703	14,326
Other purposes						
Committed to:						
Other purposes						
Total fund balances	20,713	7,991	3,651	9,687	17,738	14,326
Total liabilities and fund balances	\$ 26,356	8,306	4,166	12,008	19,889	14,343



COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS **Special Revenue Funds**

(iii inousanas)			lia I I a sa a			
(Continued)	Flood Contro District Fund	l Housing Authority Fund	In Home Supportive Services Public Authority Fund	Inactive Wastesites Fund	Inmate Welfare Program Fund	Lighting Maintenance District Fund
ASSETS						
Pooled cash and investments	\$ 23,83	2 23,114	465	60,834	10,750	1,507
Receivables, net	2	7,997	1	1,026	286	1
Property taxes receivables, net	4	6				12
Due from other funds	35	1 8	61	32	428	
Inventories					67	18
Deposits with others		16				
Prepaid items	12	2 1				
Restricted assets:						
Cash with fiscal agents		545				
Investments with fiscal agents						
Total assets	24,37	4 31,681	527	61,892	11,531	1,538
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	14	9 566	74	299	398	110
Accrued payroll				50		
Due to other funds	55	7 1,457	370	75	478	16
Deferred revenues	4	4		446		11
Unearned revenue	6	1,375		1,213		14
Total liabilities	81	3,398	444	2,083	876	151
FUND BALANCES						
Nonspendable:						
Not in spendable form:						
Loans, due from other funds and						
prepaids	12	2 1				
Inventories and deposits with others		16			67	18
Restricted for:						
Creditors - Debt service		250				
Grantors - Housing assistance		27,818				
Laws or regulations of other governments:						
Future road improvements						
Fund purpose			83		10,588	1,369
Other purposes	23,44	2 198				
Committed to:						
Other purposes				59,809		
Total fund balances	23,56	4 28,283	83	59,809	10,655	1,387
Total liabilities and fund balances	\$ 24,37	4 31,681	527	61,892	11,531	1,538



COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS **Special Revenue Funds**

(iii iiioosanas)				Tobacco	
	Other Special	Park Land Dedication		Securitization Joint Special	Total Special
(Continued)	Districts Funds	Fund	Road Fund	Revenue Fund	Revenue Funds
ASSETS					
Pooled cash and investments	\$ 669	11,708	109,881		315,674
Receivables, net	1	9	29,290	16,494	61,670
Property taxes receivables, net					454
Due from other funds			2,656		8,197
Inventories			917		1,323
Deposits with others			419		435
Prepaid items			68		425
Restricted assets:					
Cash with fiscal agents					545
Investments with fiscal agents				47,817	47,817
Total assets	670	11,717	143,231	64,311	436,540
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable		14	2,608		7,745
Accrued payroll			1,274		2,465
Due to other funds	3	19	3,390		8,057
Deferred revenues			20,462	16,494	38,376
Unearned revenue			331		6,676
Total liabilities	3	33	28,065	16,494	63,319
FUND BALANCES					
Nonspendable:					
Not in spendable form:					
Loans, due from other funds and prepaids			68		3,842
Inventories and deposits with others			1,336		1,758
Restricted for:					
Creditors - Debt service				47,817	48,067
Grantors - Housing assistance					27,818
Laws or regulations of other governments:					
Future road improvements			113,762		113,762
Fund purpose	667	11,684			94,525
Other purposes					23,640
Committed to:					
Other purposes					59,809
Total fund balances	667	11,684	115,166	47,817	373,221
Total liabilities and fund balances	\$ 670	11,717	143,231	64,311	436,540

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS **Debt Service Funds**

June 30, 2013

(In Thousands)				
	Pension Obligation Bonds Fund	San Diego Regional Building Authority Fund	SANCAL Fund	Total Debt Service Funds
ASSETS				
Pooled cash and investments	\$ 13	1,928	10,549	12,490
Receivables, net		111	87	198
Due from other funds	141			141
Restricted assets:				
Investments with fiscal agents	7	10,930	4,538	15,475
Lease receivable		6,227		6,227
Total assets	161	19,196	15,174	34,531
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable			3	3
Deferred revenues		6,227		6,227
Total liabilities		6,227	3	6,230
FUND BALANCES				
Restricted for:				
Creditors - Debt service	161	12,969	15,171	28,301
Total fund balances	161	12,969	15,171	28,301
Total liabilities and fund balances	\$ 161	19,196	15,174	34,531

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS **Capital Projects Funds**

June 30, 2013

(In Thousands)				
	Capital Outlay Fund	San Diego Regional Building Authority Fund	SANCAL Fund	Total Capital Projects Funds
ASSETS				
Pooled cash and investments	\$ 6,087	4,081	43,222	53,390
Receivables, net	339	3		342
Due from other funds	19,985			19,985
Total assets	26,411	4,084	43,222	73,717
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	17,467		66	17,533
Due to other funds	2,327	1,447	3,331	7,105
Total liabilities	19,794	1,447	3,397	24,638
FUND BALANCES				
Restricted for:				
Creditors - Capital projects		2,637	39,825	42,462
Committed to:				
Capital projects' funding	6,617			6,617
Total fund balances	6,617	2,637	39,825	49,079
Total liabilities and fund balances	\$ 26,411	4,084	43,222	73,717

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES **NONMAJOR GOVERNMENTAL FUNDS**

(in inousanas)				Total Nonmajor
	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Governmental Funds
Revenues:				
Taxes	\$ 37,286			37,286
Licenses, permits and franchise fees	9,491			9,491
Fines, forfeitures and penalties	4,547			4,547
Revenue from use of money and property	6,907	1,406		8,313
Aid from other governmental agencies:				
State	78,559		124	78,683
Federal	128,978		738	129,716
Other	22,272			22,272
Charges for current services	29,554			29,554
Other	44,479	6,810	44	51,333
Total revenues	362,073	8,216	906	371,195
Expenditures:				
Current:				
General government	526	262	12,381	13,169
Public protection	9,619			9,619
Public ways and facilities	65,073			65,073
Health and sanitation	51,031			51,031
Public assistance	138,572			138,572
Education	31,086			31,086
Recreation and cultural	2,360			2,360
Capital outlay	32,137		116,001	148,138
Debt service:				
Principal	17,177	33,840		51,017
Interest	25,289	49,186		74,475
Bond issuance costs		393		393
Total expenditures	372,870	83,681	128,382	584,933
Excess (deficiency) of revenues over (under) expenditures	(10,797)	(75,465)	(127,476)	(213,738)
Other financing sources (uses):		, ,	, ,	· · · · ·
Sale of capital assets	5,926			5,926
Issuance of bonds and loans:				
Face value of bonds issued		2,069	27,266	29,335
Premium on issuance of bonds			574	574
Transfers in	14,918	74,208	108,602	197,728
Transfers out	(26,460)			(26,460)
Total other financing sources (uses)	(5,616)	76,277	136,442	207,103
Net change in fund balances	(16,413)	812	8,966	(6,635)
Fund balances at beginning of year	389,769	27,489	40,113	457,371
Increase (decrease) in nonspendable inventories	(135)			(135)
Fund balances at end of year	\$ 373,221	28,301	49,079	450,601

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS **Special Revenue Funds**

	Air Pollution Fund	Asset Forfeiture Program Fund	County Housing Fund	County Library Fund	County Service District Funds	Edgemoor Development Fund
Revenues:						
Taxes	\$			28,109	4,299	
Licenses, permits and franchise fees	8,512					
Fines, forfeitures and penalties	1,816	2,658				
Revenue from use of money and property					104	261
Aid from other governmental agencies:						
State	16,354			321	39	
Federal	2,305			2	22	4,573
Other	10,321			4,223	4,364	
Charges for current services	491			869	7,772	
Other	50	4		483	37	
Total revenues	39,849	2,662		34,007	16,637	4,834
Expenditures:						
Current:						
General government					184	231
Public protection		926			1,297	
Public ways and facilities					1,376	
Health and sanitation	35,772				9,232	
Public assistance			41			
Education				31,086		
Recreation and cultural					1,777	
Capital outlay	404	102		98		
Debt service:						
Principal						
Interest					3	
Total expenditures	36,176	1,028	41	31,184	13,869	231
Excess (deficiency) of revenues over (under)						
expenditures	3,673	1,634	(41)	2,823	2,768	4,603
Other financing sources (uses):						
Sale of capital assets	19				3	5,648
Transfers in				170	369	
Transfers out	(696)	(3,167)		(863)	(4,062)	(9,239)
Total other financing sources (uses)	(677)	(3,167)		(693)	(3,690)	(3,591)
Net change in fund balances	2,996	(1,533)	(41)	2,130	(922)	1,012
Fund balances at beginning of year	17,705	9,583	3,692	7,581	18,654	13,314
Increase (decrease) in nonspendable						
inventories	12	(59)		(24)	6	
Fund balances at end of year	\$ 20,713	7,991	3,651	9,687	17,738	14,326



COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

(iii iiioosaiias)			In Home			
	Flood Control	Housing	Supportive Services Public	Inactive Wastesites	Inmate Welfare	Lighting Maintenance
(Continued)	District Fund		Authority Fund	Fund	Program Fund	District Fund
Revenues:						
Taxes	\$ 3,927					951
Licenses, permits and franchise fees						
Fines, forfeitures and penalties				63		
Revenue from use of money and property		892	4	313	3,513	
Aid from other governmental agencies:						
State	39			337		9
Federal		115,546				
Other	28	2,097				3
Charges for current services	614	2,195	652	775	1	717
Other		1,164		56	717	
Total revenues	4,608	121,894	656	1,544	4,231	1,680
Expenditures:						
Current:						
General government						
Public protection	4,572				2,759	
Public ways and facilities						1,578
Health and sanitation				6,027		
Public assistance		125,194	13,337			
Education						
Recreation and cultural						
Capital outlay	2,638					
Debt service:						
Principal		142				
Interest		23				
Total expenditures	7,210	125,359	13,337	6,027	2,759	1,578
Excess (deficiency) of revenues over (under)						
expenditures	(2,602)	(3,465)	(12,681)	(4,483)	1,472	102
Other financing sources (uses):						
Sale of capital assets			10.470		2	
Transfers in			12,679	,	1,700	
Transfers out			10.470	(77)	(2,090)	
Total other financing sources (uses)	(0.400)	10.445	12,679	(77)	(388)	100
Net change in fund balances	(2,602)	(3,465)	(2)	(4,560)	1,084	102
Fund balances at beginning of year	26,166	31,748	85	64,369	9,524	1,277
Increase (decrease) in nonspendable inventories					47	8
Fund balances at end of year	\$ 23,564	28,283	83	59,809	10,655	1,387



COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS **Special Revenue Funds**

	Other Special	Park Land Dedication	5 15 1	Tobacco Securitization Joint Special	Total Special
(Continued)	Districts Funds	Fund	Road Fund	Revenue Fund	Revenue Funds
Revenues:	.				27.007
Taxes	\$	0.47	20		37,286
Licenses, permits and franchise fees	10	947	32		9,491
Fines, forfeitures and penalties	10		52	1 7/7	4,547
Revenue from use of money and property			53	1,767	6,907
Aid from other governmental agencies:	50		(1, (10)		70.550
State	50		61,410		78,559
Federal			6,530		128,978
Other			1,236		22,272
Charges for current services	144		15,324	41.440	29,554
Other		2.17	508	41,460	44,479
Total revenues	204	947	85,093	43,227	362,073
Expenditures:					
Current:					
General government				111	526
Public protection	65				9,619
Public ways and facilities			62,119		65,073
Health and sanitation					51,031
Public assistance					138,572
Education					31,086
Recreation and cultural		583			2,360
Capital outlay			28,895		32,137
Debt service:					
Principal				17,035	17,177
Interest				25,263	25,289
Total expenditures	65	583	91,014	42,409	372,870
Excess (deficiency) of revenues over (under) expenditures	139	364	(5,921)	818	(10,797)
Other financing sources (uses):					
Sale of capital assets			254		5,926
Transfers in					14,918
Transfers out	(50)	(114)	(6,102)		(26,460)
Total other financing sources (uses)	(50)	(114)	(5,848)		(5,616)
Net change in fund balances	89	250	(11,769)	818	(16,413)
Fund balances at beginning of year	578	11,434	127,060	46,999	389,769
Increase (decrease) in nonspendable inventories			(125)		(135)
Fund balances at end of year	\$ 667	11,684	115,166	47,817	373,221

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

Debt Service Funds

(in inousanas)	Pension Obligation Bonds Fund	San Diego Regional Building Authority Fund	SANCAL Fund	Total Debt Service Funds
Revenues:				
Revenue from use of money and property	\$	1,192	214	1,406
Other	6,810			6,810
Total revenues	6,810	1,192	214	8,216
Expenditures:				
Current:				
General government		258	4	262
Debt service:				
Principal	33,215	625		33,840
Interest	48,215	438	533	49,186
Bond issuance costs			393	393
Total expenditures	81,430	1,321	930	83,681
Excess (deficiency) of revenues over (under) expenditures	(74,620)	(129)	(716)	(75,465)
Other financing sources (uses):				
Issuance of bonds and loans:				
Face value of bonds issued			2,069	2,069
Transfers in	74,152	14	42	74,208
Total other financing sources (uses)	74,152	14	2,111	76,277
Net change in fund balances	(468)	(115)	1,395	812
Fund balances at beginning of year	629	13,084	13,776	27,489
Fund balances at end of year	\$ 161	12,969	15,171	28,301

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS **Capital Projects Funds**

(in inousanas)				
	Capital Outlay Fund	San Diego Regional Building Authority Fund	SANCAL Fund	Total Capital Projects Funds
Revenues:				
Aid from other governmental agencies:				
State	\$ 124			124
Federal	738			738
Other	44			44
Total revenues	906			906
Expenditures:				
Current:				
General government	11,930	327	124	12,381
Capital outlay	96,481	3,631	15,889	116,001
Total expenditures	108,411	3,958	16,013	128,382
Excess (deficiency) of revenues over (under) expenditures	(107,505)	(3,958)	(16,013)	(127,476)
Other financing sources (uses):				
Issuance of bonds and loans:				
Face value of bonds issued			27,266	27,266
Premium on issuance of bonds			574	574
Transfers in	108,602			108,602
Total other financing sources (uses)	108,602		27,840	136,442
Net change in fund balances	1,097	(3,958)	11,827	8,966
Fund balances at beginning of year	5,520	6,595	27,998	40,113
Fund balances at end of year	\$ 6,617	2,637	39,825	49,079

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL**

Air Pollution Fund

(In Thousands)			
_	Original Budget	Final Budget	Actual
Revenues:			
Licenses, permits and franchise fees	\$ 7,209	7,209	8,512
Fines, forfeitures and penalties	980	980	1,816
Revenue from use of money and property	30	42	
Aid from other governmental agencies:			
State	24,910	24,188	16,354
Federal	2,406	2,406	2,305
Other	10,000	10,000	10,321
Charges for current services	581	581	491
Other			50
Total revenues	46,116	45,406	39,849
Expenditures:			
Current:			
Health and sanitation:			
Air pollution control	19,296	19,619	18,677
Air pollution control, air quality Proposition 1B GMER program	14,724	14,733	10,328
Air pollution control, air quality State AQIP program	945	473	300
Air pollution control, air quality State LESB program		38	38
Air pollution control, GMERP match fund	717	469	468
Air pollution control, improvement trust	3,593	3,593	1,024
Air pollution control, moyer program	7,424	7,424	4,417
Air pollution control, power general mitigation	1,044	1,044	520
Total health and sanitation	47,743	47,393	35,772
Capital outlay	566	666	404
Total expenditures	48,309	48,059	36,176
Excess (deficiency) of revenues over (under) expenditures	(2,193)	(2,653)	3,673
Other financing sources (uses):			
Sale of capital assets			19
Transfers in	8,136	423	
Transfers out	(8,833)	(1,120)	(696)
Total other financing sources (uses)	(697)	(697)	(677)
Net change in fund balances	(2,890)	(3,350)	2,996
Fund balances at beginning of year	17,705	17,705	17,705
Increase (decrease) in nonspendable inventories		12	12
Fund balances at end of year	\$ 14,815	14,367	20,713

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL**

Asset Forfeiture Program Fund

(In Thousands)			
	Original Budget	Final Budget	Actual
Revenues:			
Fines, forfeitures and penalties	\$ 1,000	1,000	2,658
Revenue from use of money and property	100	100	
Other			4
Total revenues	1,100	1,100	2,662
Expenditures:			
Current:			
Public protection:			
District attorney asset forfeiture program - federal	500	500	199
District attorney asset forfeiture program - state	15	15	1
Probation asset forfeiture program	51	51	24
Sheriff's asset forfeiture program	1,157	1,330	702
Total public protection	1,723	1,896	926
Capital outlay	93	106	102
Total expenditures	1,816	2,002	1,028
Excess (deficiency) of revenues over (under) expenditures	(716)	(902)	1,634
Other financing sources (uses):			
Transfers out	(3,320)	(3,434)	(3,167)
Total other financing sources (uses)	(3,320)	(3,434)	(3,167)
Net change in fund balances	(4,036)	(4,336)	(1,533)
Fund balances at beginning of year	9,583	9,583	9,583
Increase (decrease) in nonspendable inventories		(59)	(59)
Fund balances at end of year	\$ 5,547	5,188	7,991

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL**

County Housing Fund

	Original Budget	Final Budget	Actual
Expenditures:			
Current:			
Public assistance:			
CSHAF Gillespie housing	\$ 30	30	12
CSHAF USDRIP housing	75	75	29
Total public assistance	105	105	41
Total expenditures	105	105	41
Excess (deficiency) of revenues over (under) expenditures	(105)	(105)	(41)
Net change in fund balances	(105)	(105)	(41)
Fund balances at beginning of year	3,692	3,692	3,692
Fund balances at end of year	\$ 3,587	3,587	3,651

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL**

County Library Fund

(In Thousands)			
	Original Budge	Final Budget	Actual
Revenues:			
Taxes	\$ 28,28	5 28,285	28,109
Revenue from use of money and property	10	5 105	
Aid from other governmental agencies:			
State	15	0 193	321
Federal			2
Other	1,06	1,063	4,223
Charges for current services	1,28	1,288	869
Other	55	4 554	483
Total revenues	31,44	5 31,488	34,007
Expenditures:			
Current:			
Education:			
County library	32,99	9 33,104	31,086
Total education	32,99	9 33,104	31,086
Capital outlay	4	5 152	98
Total expenditures	33,04	4 33,256	31,184
Excess (deficiency) of revenues over (under) expenditures	(1,599	(1,768)	2,823
Other financing sources (uses):			
Transfers in		170	170
Transfers out	(953	(954)	(863)
Total other financing sources (uses)	(953	(784)	(693)
Net change in fund balances	(2,552	(2,552)	2,130
Fund balances at beginning of year	7,58	7,581	7,581
Increase (decrease) in nonspendable inventories		(24)	(24)
Fund balances at end of year	\$ 5,02	9 5,005	9,687

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL**

County Service District Funds

(In Thousands)	Original Budget	Final Budget	Actual
Revenues:		Tiridi boaget	ACIOGI
Taxes	\$ 4,502	4,502	4,299
Revenue from use of money and property	194	194	104
Aid from other governmental agencies:	174	174	104
State	27	27	39
Federal	2/	2/	22
Other	3,668	3,668	4,364
Charges for current services Other	8,486	7,919	7,772
- · · · · · ·	16,877	16,310	37 16,637
Total revenues Evanditures	10,0//	16,310	10,037
Expenditures:			
Current:			
General government:	400	. .	
Regional Communication System CSA 135	623	56	00
Regional Communication System CSA 135 Zone B Del Mar	50	59	39
Regional Communication System CSA 135 Zone F Poway	156	156	114
Regional Communication System CSA 135 Zone H Solana Beach	45	121	31
Total general government	874	392	184
Public protection:			
CSA135 Q Fire protect and emerg med svcs	695	695	577
Fire protection, PRD 107 Elfin Firem		9	
Fire protection, PRD 107 Elfin Forest	468	468	398
Fire protection, PRD 110 MT Pal Fr M		22	
Fire protection, PRD 111 Boulevard	7	7	
Fire protection, PRD 113 SN PSQL FIR		43	
Fire protection, PRD 115 Pepper Drive	364	364	322
Total public protection	1,534	1,608	1,297
Public ways and facilities:			
PRD 6 Pauma Valley	342	342	13
PRD 8 Magee RD-PAL	175	175	7
PRD 9 B Santa Fe	79	79	55
PRD 10 Davis Dr	32	32	21
PRD 11 A Bernardo RD	37	37	4
PRD 11 C Bernardo RD	25	25	3
PRD 11 D Bernardo RD	34	34	4
PRD 12 Lomair	258	258	5
PRD 13 A Pala Mesa	346	346	11
PRD 13 B Stewart Canyon	53	53	34
PRD 14 Rancho Diego	1	1	
PRD 16 Wynola	151	151	58
PRD 18 Harrison Park	268	268	66
PRD 20 Daily Road	346	346	23
PRD 21 Pauma Heights	221	221	15
PRD 22 W Dougherty St	15	15	3
PRD 23 Rock Terrce RD	22	22	3
PRD 24 MT Whitney RD	56	56	40
PRD 30 Royal Oaks-CAR		40	40
IND DUNUYUI OUNS-CAN	\$ 40	40	4



SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL**

County Service District Funds

econi, control pionier ronds			
For the Year Ended June 30, 2013			
(In Thousands) (Continued)	Original Budget	Final Budget	Actual
PRD 38 Gay Rio Terrace	\$ 55	55	5
PRD 39 Sunbeam Lane	12	12	9
PRD 45 Rincon Springs	63	63	3
PRD 46 Rocoso Road	31	31	21
PRD 49 Sunset Knls RD	16	16	3
PRD 50 Knoll Park LN	128	128	6
PRD 53 Knoll Park LN EX	260	260	8
PRD 54 MT Helix	160	160	4
PRD 55 Rainbow Crest	278	278	13
PRD 60 River Drive	132	132	5
PRD 61 GRN Meadow Way	198	198	4
PRD 63 Hillview Road	367	367	6
PRD 64 Lila Lane	3	3	
PRD 70 El Camino Cort	29	29	3
PRD 75 A Gay Rio Drive	206	206	5
PRD 75 B Gay Rio Drive	390	390	7
PRD 76 Kingford CT	35	35	3
PRD 77 Montiel TRK TR	251	251	13
PRD 78 Gardena Ay	47	47	3
PRD 80 Harris TRK TRL	171	171	5
PRD 88 East Fifth St	68	68	3
PRD 90 South Cordov	22	22	19
PRD 94 Roble Grnde	604	604	147
PRD 95 Valle Del Sol	283	283	4
PRD 99 Via Allndra	45	45	16
PRD 100 Viejas View	12	12	3
PRD 101 A Hi-Ridge R	14	14	4
PRD 101 Johnson LK	147	147	7
PRD 102 MTN Meadow	210	210	171
PRD 103 Alto Drive	190	190	4
PRD 104 Artesian RO	91	91	5
PRD 105 A Alta Loma D	89	89	66
PRD 105 Alta Loma D	63	63	44
PRD 106 Garrison Ay	89	89	4
PRD 117 Legend Rock	10	10	7
PRD 123 Mizpah Lane	67	67	4
PRD 125 Wrightwood	78	78	4
DDD 10/0	٥٦	0.5	4

PRD 126 Sandhurst W

PRD 127 Singing Trails

PRD 130 Wilkes Road

PRD 134 Kenora Lane

PRD 1001 Capra Way

PRD 1002 Sunny Acres PRD 1003 Alamo Way

PRD 133 Rnch Creek Rd

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL**

County Service District Funds

County service district rulius			
For the Year Ended June 30, 2013			
(In Thousands)			
(Continued)	Original Budget	Final Budget	Actual
PRD 1005 Eden Valley	\$ 65	65	4
PRD 1007 Tumbler Creek	5	2	
PRD 1008 Canter	21	21	4
PRD 1009 Golf Drive	2	2	
PRD 1010 Alpine Highlands ZN	289	289	207
PRD 1011 La Cuesta ZN	51	51	3
PRD 1012 8112 Millar	42	42	3
PRD 1013 Singing Trails	78	78	4
PRD 1014 Lavender PT Lane	79	79	3
PRD 1015 Landavo Drive ET AL	70	70	5
PRD 1016 El Sereno Way	46	46	5
Total public ways and facilities	8,576	8,572	1,376
Health and sanitation:			
CSA 17 San Dieguito Ambulance	3,836	3,836	3,700
CSA 69 Heartland Paramedics	6,585	6,585	5,512
PRD 122 Otay Mesa East	12	12	3
PRD 136 Sundance Detention Basin	49	49	17
Total health and sanitation	10,482	10,482	9,232
Recreation and cultural:		0.4	0.5
CSA 26 LMD Zone 2 Julian	34	34	25
CSA 26 Rancho San Diego	110	110	94
CSA 26 San Diego landscape maintenance	102	102	94
CSA 81 Fallbrook Park	215	215	192
CSA 83 San Dieguito	487	487	398
CSA 128 San Miguel Park	473	472	394
CSA 83A 4S Ranch Park	266	348	337
PRD 26 A Cottonwood Village	183	182	100
PRD 26 B Monte Vista	324	323	143
Total recreation and cultural	2,194	2,273	1,777
Capital outlay Debt service:	40	20	
	15	15	
Principal Interest	3	3	3
Total expenditures	23,718	23,365	13,869
Excess (deficiency) of revenues over (under) expenditures	(6,841)	(7,055)	2,768
Other financing sources (uses):	(0,041)	(7,000)	2,700
Sale of capital assets			3
Transfers in	676	460	369
Transfers out	(4,139)	(4,247)	(4,062)
Total other financing sources (uses)	(3,463)	(3,787)	(3,690)
Net change in fund balances	(10,304)	(10,842)	(922)
Fund balances at beginning of year	18,654	18,654	18,654
Increase (decrease) in nonspendable inventories	10,034	10,054	10,034
Fund balances at end of year	\$ 8,350	7,818	17,738
rona parances ar ena or year	ψ 0,330	7,010	17,730

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL**

Edgemoor Development Fund

(In Thousands)				
	Origin	al Budget	Final Budget	Actual
Revenues:				
Revenue from use of money and property	\$	5,623	5,623	261
Aid from other governmental agencies:				
Federal		4,264	4,264	4,573
Total revenues		9,887	9,887	4,834
Expenditures:				
Current:				
General government:				
Edgemoor development fund		915	915	231
Total general government		915	915	231
Total expenditures		915	915	231
Excess (deficiency) of revenues over (under) expenditures		8,972	8,972	4,603
Other financing sources (uses):				
Sale of capital assets				5,648
Transfers out		(9,279)	(9,279)	(9,239)
Total other financing sources (uses)		(9,279)	(9,279)	(3,591)
Net change in fund balances		(307)	(307)	1,012
Fund balances at beginning of year		13,314	13,314	13,314
Fund balances at end of year	\$	13,007	13,007	14,326

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL**

Flood Control District Fund

(In Inousanas)			
	Original Budget	Final Budget	Actual
Revenues:			
Taxes	\$ 3,856	3,856	3,927
Revenue from use of money and property	100	143	
Aid from other governmental agencies:			
State			39
Federal		4,000	
Other			28
Charges for current services	3,341	3,341	614
Total revenues	7,297	11,340	4,608
Expenditures:			
Current:			
Public protection:			
Flood control district	6,121	12,909	4,415
Flood control, soil and water - other budgetary entity		39	39
Stormwater maintenance, Blackwolf	11	11	1
Stormwater maintenance, Lake Rancho Viejo	212	212	117
Stormwater maintenance, Ponderosa Estates	23	23	
Total public protection	6,367	13,194	4,572
Capital outlay	2,638	2,638	2,638
Total expenditures	9,005	15,832	7,210
Excess (deficiency) of revenues over (under) expenditures	(1,708)	(4,492)	(2,602)
Net change in fund balances	(1,708)	(4,492)	(2,602)
Fund balances at beginning of year	26,166	26,166	26,166
Fund balances at end of year	\$ 24,458	21,674	23,564

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL**

Housing Authority Fund

(In Thousands)			
	Original Budge	Final Budget	Actual
Revenues:			
Revenue from use of money and property	\$ 1,69	4 1,031	892
Aid from other governmental agencies:			
Federal	117,88	4 117,258	115,546
Other		1,399	2,097
Charges for current services	3,50	2,921	2,195
Other	64	2 747	1,164
Total revenues	123,72	2 123,356	121,894
Expenditures:			
Current:			
Public assistance:			
Other assistance - other budgetary entity	128,14	2 127,840	125,194
Total public assistance	128,14	2 127,840	125,194
Debt service:			
Principal	14	6 146	142
Interest	3	2 32	23
Total expenditures	128,32	0 128,018	125,359
Excess (deficiency) of revenues over (under) expenditures	(4,598	(4,662)	(3,465)
Net change in fund balances	(4,598	(4,662)	(3,465)
Fund balances at beginning of year	31,74	8 31,748	31,748
Fund balances at end of year	\$ 27,15	0 27,086	28,283

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL**

In Home Supportive Services Public Authority Fund

(in inousanas)			
	Original Budget	Final Budget	Actual
Revenues:			
Revenue from use of money and property	\$		4
Charges for current services	603	603	652
Total revenues	603	603	656
Expenditures:			
Current:			
Public assistance:			
IHSS public authority	13,799	13,799	13,337
Total public assistance	13,799	13,799	13,337
Total expenditures	13,799	13,799	13,337
Excess (deficiency) of revenues over (under) expenditures	(13,196)	(13,196)	(12,681)
Other financing sources (uses):			
Transfers in	13,196	13,196	12,679
Total other financing sources (uses)	13,196	13,196	12,679
Net change in fund balances			(2)
Fund balances at beginning of year	85	85	85
Fund balances at end of year	\$ 85	85	83

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL**

Inactive Wastesites Fund

(In Thousands)			
	Original Budget	Final Budget	Actual
Revenues:			
Fines, forfeitures and penalties	\$		63
Revenue from use of money and property	270	270	313
Aid from other governmental agencies:			
State	275	275	337
Charges for current services	5,765	5,765	775
Other			56
Total revenues	6,310	6,310	1,544
Expenditures:			
Current:			
Health and sanitation:			
Duck pond landfill cleanup	17	17	
Hillsborough maintenance	4	4	4
Inactive waste site management	6,586	6,586	6,023
Total health and sanitation	6,607	6,607	6,027
Total expenditures	6,607	6,607	6,027
Excess (deficiency) of revenues over (under) expenditures	(297)	(297)	(4,483)
Other financing sources (uses):			
Transfers out	(82)	(82)	(77)
Total other financing sources (uses)	(82)	(82)	(77)
Net change in fund balances	(379)	(379)	(4,560)
Fund balances at beginning of year	64,369	64,369	64,369
Fund balances at end of year	\$ 63,990	63,990	59,809

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL**

Inmate Welfare Program Fund

For the Year Ended June 30, 2013 (In Thousands)

(In Inousands)			
	Original Budget	Final Budget	Actual
Revenues:			
Revenue from use of money and property	\$ 3,150	3,150	3,513
Charges for current services			1
Other	236	236	717
Total revenues	3,386	3,386	4,231
Expenditures:			
Current:			
Public protection:			
Probation inmate welfare	95	95	65
Sheriff's inmate welfare - adult detention	2,949	3,513	2,693
Sheriff's inmate welfare - police protection	14	14	1
Total public protection	3,058	3,622	2,759
Total expenditures	3,058	3,622	2,759
Excess (deficiency) of revenues over (under) expenditures	328	(236)	1,472
Other financing sources (uses):			
Sale of capital assets			2
Transfers in	1,700	1,700	1,700
Transfers out	(2,570)	(2,570)	(2,090)
Total other financing sources (uses)	(870)	(870)	(388)
Net change in fund balances	(542)	(1,106)	1,084
Fund balances at beginning of year	9,524	9,524	9,524
Increase (decrease) in nonspendable inventories		47	47
Fund balances at end of year	\$ 8,982	8,465	10,655

Combining Financial Statements/Schedules - Nonmajor Governmental Funds

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL**

Lighting Maintenance District Fund

For the Year Ended June 30, 2013

(In Thousands)				
	Origino	al Budget	Final Budget	Actual
Revenues:				
Taxes	\$	930	930	951
Revenue from use of money and property		8	8	
Aid from other governmental agencies:				
State		5	5	9
Other				3
Charges for current services		719	719	717
Total revenues		1,662	1,662	1,680
Expenditures:				
Current:				
Public ways and facilities:				
San Diego lighting maintenance		2,017	2,017	1,578
Total public ways and facilities		2,017	2,017	1,578
Total expenditures		2,017	2,017	1,578
Excess (deficiency) of revenues over (under) expenditures		(355)	(355)	102
Net change in fund balances		(355)	(355)	102
Fund balances at beginning of year		1,277	1,277	1,277
Increase (decrease) in nonspendable inventories			8	8
Fund balances at end of year	\$	922	930	1,387

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL**

Other Special Districts Funds

For the Year Ended June 30, 2013 (In Thousands)

(in inousanas)			
	Original Budget	Final Budget	Actual
Revenues:			
Fines, forfeitures and penalties	\$ 16	16	10
Aid from other governmental agencies:			
State	50	50	50
Charges for current services	200	200	144
Total revenues	266	266	204
Expenditures:			
Current:			
Public protection:			
Agriculture, weights and measures - fish and game	18	18	11
Public works, survey	200	200	54
Total public protection	218	218	65
Total expenditures	218	218	65
Excess (deficiency) of revenues over (under) expenditures	48	48	139
Other financing sources (uses):			
Transfers out	(50)	(50)	(50)
Total other financing sources (uses)	(50)	(50)	(50)
Net change in fund balances	(2)	(2)	89
Fund balances at beginning of year	578	578	578
Fund balances at end of year	\$ 576	576	667

Combining Financial Statements/Schedules - Nonmajor Governmental Funds

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL**

Park Land Dedication Fund

For the Year Ended June 30, 2013 (In Thousands)

(In Thousands)	Original Budget	Final Budget	Actual
Revenues:		Tiridi Bodgoi	7101041
Licenses, permits and franchise fees	\$ 658	658	947
Revenue from use of money and property	56	56	
Total revenues	714	714	947
Expenditures:			
Current:			
Recreation and cultural:			
Local Park Planning Area 4 Lincoln Acres	5	5	
Local Park Planning Area 15 Sweetwater	10	10	6
Local Park Planning Area 16 Otay	2	2	-
Local Park Planning Area 19 Jamul	26	26	2
Local Park Planning Area 20 Spring Valley	27	27	13
Local Park Planning Area 25 Lakeside	32	32	31
Local Park Planning Area 26 Crest	11	11	8
Local Park Planning Area 27 Alpine	37	37	13
Local Park Planning Area 28 Ramona	141	141	8
Local Park Planning Area 29 Escondido	23	23	
Local Park Planning Area 30 San Marcos	6	6	
Local Park Planning Area 31 San Dieguito	215	215	8
Local Park Planning Area 32 Carlsbad	1	1	
Local Park Planning Area 35 Fallbrook	129	399	275
Local Park Planning Area 36 Bonsall	13	13	
Local Park Planning Area 37 Vista	22	22	8
Local Park Planning Area 38 Valley Center	52	52	15
Local Park Planning Area 39 Pauma	5	5	
Local Park Planning Area 40 Palomar-Julian	27	38	23
Local Park Planning Area 41 Mount Empire	7	7	
Local Park Planning Area 42 Anza-Borrego	5	5	1
Local Park Planning Area 43 Central Mountain	202	202	167
Local Park Planning Area 44 Oceanside	1	1	
Local Park Planning Area 45 Valle de Oro	46	46	5
Total recreation and cultural	1,045	1,326	583
Total expenditures	1,045	1,326	583
Excess (deficiency) of revenues over (under) expenditures	(331)	(612)	364
Other financing sources (uses):			
Transfers out	(553)	(2,238)	(114)
Total other financing sources (uses)	(553)	(2,238)	(114)
Net change in fund balances	(884)	(2,850)	250
Fund balances at beginning of year	11,434	11,434	11,434
Fund balances at end of year	\$ 10,550	8,584	11,684

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**BUDGET AND ACTUAL**

Road Fund

For the Year Ended June 30, 2013

(In Thousands)			
	Original Budget	Final Budget	Actual
Revenues:			
Licenses, permits and franchise fees	\$ 59	59	32
Revenue from use of money and property	499	499	53
Aid from other governmental agencies:			
State	67,527	67,526	61,410
Federal	9,086	11,048	6,530
Other	1,025	1,236	1,236
Charges for current services	18,567	16,494	15,324
Other	1,009	2,242	508
Total revenues	97,772	99,104	85,093
Expenditures:			
Current:			
Public ways and facilities:			
Public works, road	94,929	105,966	62,119
Total public ways and facilities	94,929	105,966	62,119
Capital outlay	28,843	28,897	28,895
Total expenditures	123,772	134,863	91,014
Excess (deficiency) of revenues over (under) expenditures	(26,000)	(35,759)	(5,921)
Other financing sources (uses):			
Sale of capital assets			254
Transfers out	(4,193)	(6,336)	(6,102)
Total other financing sources (uses)	(4,193)	(6,336)	(5,848)
Net change in fund balances	(30,193)	(42,095)	(11,769)
Fund balances at beginning of year	127,060	127,060	127,060
Increase (decrease) in nonspendable inventories		(125)	(125)
Fund balances at end of year	\$ 96,867	84,840	115,166



ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

Airport Fund

This fund is used to account for the maintenance, operations and development of County airports. A major objective of the airport program is to develop airport property utilizing federal and state grants in order to enhance the value of public assets, generate new revenues and be a catalyst for aviation and business development.

Sanitation District Fund

This fund is used to account for the activities of the sanitation district governed by the County Board of Supervisors.

Wastewater Management Fund

This fund is used to account for operational services and support provided to the sanitation district governed by the County Board of Supervisors.

Combining Financial Statements – Nonmajor Enterprise Funds

COMBINING STATEMENT OF NET POSITION ENTERPRISE FUNDS

June 30, 2013

(In Thousands)				
	Airport Fund	Sanitation District	Wastewater Management Fund	Total Enterprise Funds
ASSETS	/ III port i oria	Toria	10110	101103
Current assets:				
Pooled cash and investments	\$ 10,518	60,460	3,036	74,014
Receivables, net	6,155		33	6,621
Due from other funds	1		324	325
Inventories			1	1
Total current assets	16,674	60,893	3,394	80,961
Noncurrent assets:		·	<u> </u>	
Due from other funds	3,850			3,850
Capital assets:				
Land	10,476	1,069	20	11,565
Construction in progress	9,218			15,808
Buildings and improvements	109,007	4,214	721	113,942
Equipment	552	194	144	890
Road infrastructure	6,449			6,449
Sewer infrastructure		96,165		96,165
Accumulated depreciation/amortization	(35,808)	(39,956)	(579)	(76,343)
Total noncurrent assets	103,744	68,276	306	172,326
Total assets	120,418	129,169	3,700	253,287
LIABILITIES				
Current liabilities:				
Accounts payable	2,048	579	18	2,645
Accrued payroll	115		131	246
Due to other funds	233	333	121	687
Unearned revenue	66			66
Loans payable	279			279
Compensated absences	83		90	173
Total current liabilities	2,824	912	360	4,096
Noncurrent liabilities:				
Loans payable	767			767
Compensated absences	121		130	251
Total noncurrent liabilities	888		130	1,018
Total liabilities	3,712	912	490	5,114
NET POSITION				
Net investment in capital assets	98,848		306	167,430
Unrestricted net position	17,858		2,904	80,743
Total net position	\$ 116,706	128,257	3,210	248,173

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION **ENTERPRISE FUNDS**

For the Year Ended June 30, 2013 (In Thousands)

(iii mousanas)	Airport Fund	Sanitation District Fund	Wastewater Management Fund	Total Enterprise Funds
Operating revenues:				
Charges for current services	\$ 11,077		6,561	36,202
Other	116	•	3	126
Total operating revenues	11,193	18,571	6,564	36,328
Operating expenses:				
Salaries and employee benefits	3,440)	3,870	7,310
Repairs and maintenance	1,485	4,571	8	6,064
Equipment rental	490)	687	1,177
Sewage processing		14,462		14,462
Contracted services	4,371		957	5,328
Depreciation/amortization	3,368	1,941	18	5,327
Utilities	271		20	291
Other	604	1,519	248	2,371
Total operating expenses	14,029	22,493	5,808	42,330
Operating income (loss)	(2,836)	(3,922)	756	(6,002)
Nonoperating revenues (expenses):				
Grants	4,933	3		4,933
Investment earnings	43	3		46
Interest expense	(74)			(74)
Gain (loss) on disposal of assets	(2)	(484)	(1)	(487)
Total nonoperating revenues (expenses)	4,900	(481)	(1)	4,418
Income (loss) before capital contributions and transfers	2,064	(4,403)	755	(1,584)
Transfers in	50	308		358
Transfers out	(164)		(308)	(472)
Change in net position	1,950	(4,095)	447	(1,698)
Net position (deficits) at beginning of year	114,756	132,352	2,763	249,871
Net position (deficits) at end of year	\$ 116,706	128,257	3,210	248,173

Combining Financial Statements – Nonmajor Enterprise Funds

COMBINING STATEMENT OF CASH FLOWS ENTERPRISE FUNDS

For the Year Ended June 30, 2013

(In Thousands)					
		Sanitation District	Wastewater Management	Total Enterprise	
	Airport Fund	Fund	Fund	Funds	
Cash flows from operating activities:					
Cash received from customers	\$ 11,536	18,672	110	30,318	
Cash received from other funds	8		6,425	6,433	
Cash payments to suppliers	(5,191)	(20,734)	(1,582)	(27,507)	
Cash payments to employees	(3,413)		(3,881)	(7,294)	
Cash payments to other funds	(1,789)	(335)	(325)	(2,449)	
Net cash provided (used) by operating activities	1,151	(2,397)	747	(499)	
Cash flows from noncapital financing activities:					
Operating grants	1,822			1,822	
Transfers from other funds	50	308		358	
Transfers to other funds	(164)		(308)	(472)	
Net cash provided (used) by noncapital financing activities	1,708	308	(308)	1,708	
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(3,177)	(5,164)		(8,341)	
Principal paid on long-term debt	(267)			(267)	
Interest paid on long-term debt	(74)			(74)	
Net cash provided (used) by capital and related financing					
activities	(3,518)	(5,164)		(8,682)	
Cash flows from investing activities:					
Investment earnings	184	20	1	205	
Net increase (decrease) in cash and cash equivalents	(475)	(7,233)	440	(7,268)	
Cash and cash equivalents - beginning of year	10,993	67,693	2,596	81,282	
Cash and cash equivalents - end of year	10,518	60,460	3,036	74,014	
Reconciliation of operating income (loss) to net cash provided					
(used) by operating activities:					
Operating income (loss)	(2,836)	(3,922)	756	(6,002)	
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Decrease (increase) in accounts receivables	363	100		463	
Decrease (increase) in due from other funds	(1)	100	(29)	(30)	
Decrease (increase) in inventory	1		(27)	1	
Increase (decrease) in accounts payable	182	(304)	7	(115)	
Increase (decrease) in accrued payroll	11	(504)	2	13	
Increase (decrease) in due to other funds	56	(212)	6	(150)	
Increase (decrease) in unearned revenue	(9)	(212)	0	(9)	
Increase (decrease) in compensated absences	16		(13)	3	
Depreciation/amortization	3,368	1,941	18	5,327	
Total adjustments	3,987	1,525	(9)	5,503	
Net cash provided (used) by operating activities	1,151	(2,397)	747	(499)	
Non-cash investing and capital financing activities:	1,101	(2,377)	747	(477)	
Capital acquisitions included in accounts payable	\$ 1,341	426		1,767	
Disposal of capital assets	(2)		(1)	(487)	
Disposal of Capital assets	(2)	(404)	(1)	(407)	

INTERNAL SERVICE FUNDS

Internal service funds are established to account for services furnished to other County departments and are financed primarily by these service charges. Because they are exempt from budgetary control, they are free to employ commercial accounting techniques, and are often used in situations where a more accurate determination of operating results is desired.

Employee Benefits Fund

This fund was established to account for workers' compensation and unemployment insurance. Specifically, for workers' compensation the fund includes: claims payment, the actuarial liability, insurance costs and contributions by various departments.

Facilities Management Fund

This fund was established to account for the financing of facilities maintenance, public service utilities, property management, project management, architectural and engineering services, real estate acquisition and leasing, and mail services provided to County departments on a cost reimbursement basis.

Fleet Services Fund

This fund was established to account for the maintenance, repair, fuel, and financing of Fleet vehicles provided to County departments on a cost reimbursement basis.

Information Technology Fund

was established This fund to account telecommunications services provided to County departments on a cost reimbursement basis.

Other Miscellaneous Internal Service Funds

This fund was established to provide for the financing of a Sheriff's commissary store allowing persons incarcerated at various County detention facilities to purchase a variety of goods, including food, snacks, stationary, personal care items and telephone time.

Public Liability Insurance Fund

This fund was established to account for all of the County's public liability claims and related expenses in compliance with the applicable provisions of the law.

Purchasing Fund

This fund was established to account for the procurement of services, materials, and supplies provided to County departments and provides record storage services; all on a cost reimbursement basis.

Road and Communication Equipment Fund

This fund was established to account for the financing of public works and communications equipment provided to the following funds: Road, Airport, Wastewater Management and Flood Control District; on a cost reimbursement basis.

Special District Loans Fund

This fund was established to provide financing for start up services for new and existing County Service Districts on a cost reimbursement basis.

Combining Financial Statements – Internal Service Funds

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS

June 30, 2013 (In Thousands)

(iii iiioosaiias)					Other
	Employee Benefit Fund	Facilities S Management Fund	Fleet Services Fund	Information	Miscellaneous Internal Service Funds
ASSETS	Toria	Toria		lectificiogy forta	101103
Current assets:					
Pooled cash and investments	\$ 107,872	10,859	21,584	31,412	6,606
Receivables, net	85		21,364	142	108
Due from other funds	1,93			12,823	100
Inventories	1,70	279	907	12,020	206
Total current assets	109.888		25,833	44,377	6,920
Noncurrent assets:	,			,	57. =5
Due from other funds					
Capital assets:					
Construction in progress			185		
Equipment		6,893	97,186		236
Software		440		12,912	
Accumulated depreciation/ amortization		(1,099)	(63,100)	(9,719)	(233)
Total noncurrent assets		6,234	34,271	3,193	3
Total assets	109,888		60,104	47,570	6,923
LIABILITIES					
Current liabilities:					
Accounts payable	4,697	5,493	2,098	38,211	429
Accrued payroll		858	166	·	
Accrued interest		3			
Due to other funds	1,335	686	222	3	543
Unearned revenue		747	1		
Loans payable		940			
Capital lease payable		33			
Compensated absences		691	95		
Claims and judgments	26,626				
Total current liabilities	32,658	9,451	2,582	38,214	972
Noncurrent liabilities:					
Loans payable		1,969			
Capital lease payable		119			
Compensated absences	105.07	1,003	138		
Claims and judgments	105,878				
Total noncurrent liabilities	105,878		138		
Total liabilities	138,536	12,542	2,720	38,214	972
NET POSITION					
Net investment in capital assets		6,082	34,271	3,193	3
Unrestricted net assets (deficits)	(28,648	· ·	23,113	6,163	5,948
Total net position (deficits)	\$ (28,648	11,281	57,384	9,356	5,951



COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS

June 30, 2013 (In Thousands)

(In Thousands)			De suel eur el		
	Public Liability		Road and Communication	Special District	Total Internal
(Continued)	Insurance Fund	Purchasing Fund	Equipment Fund	Loans Fund	Service Funds
ASSETS					
Current assets:					
Pooled cash and investments	\$ 40,439	3,928	14,411	860	237,971
Receivables, net	32	3	11		1,187
Due from other funds		510		15	24,266
Inventories		1			1,393
Total current assets	40,471	4,442	14,422	875	264,817
Noncurrent assets:					
Due from other funds				30	30
Capital assets:					
Construction in progress		118			303
Equipment		214	32,803		137,332
Software					13,352
Accumulated depreciation/ amortization		(108)	(17,516)		(91,775)
Total noncurrent assets		224	15,287	30	59,242
Total assets	40,471	4,666	29,709	905	324,059
LIABILITIES					
Current liabilities:					
Accounts payable	44	2	997		51,971
Accrued payroll		194			1,218
Accrued interest					3
Due to other funds	1,546	168	470		4,973
Unearned revenue					748
Loans payable					940
Capital lease payable					33
Compensated absences		139			925
Claims and judgments	9,795				36,421
Total current liabilities	11,385	503	1,467		97,232
Noncurrent liabilities:					
Loans payable					1,969
Capital lease payable					119
Compensated absences	1.4.050	202			1,343
Claims and judgments	14,253				120,131
Total noncurrent liabilities	14,253	202			123,562
Total liabilities	25,638	705	1,467		220,794
NET POSITION					
Net investment in capital assets		224	15,287		59,060
Unrestricted net assets (deficits)	14,833	3,737	12,955	905	44,205
Total net position (deficits)	\$ 14,833	3,961	28,242	905	103,265

Combining Financial Statements – Internal Service Funds

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2013 (In Thousands)

	Employee Benefits Fund	Facilities Management Fund	Fleet Services Fund	Information Technology Fund	Other Miscellaneous Internal Service Funds
Operating revenues:					
Charges for current services	\$ 35,932	93,215	36,218	133,678	4,933
Other	11	2,231	167	23	2,446
Total operating revenues	35,943	95,446	36,385	133,701	7,379
Operating expenses:					
Salaries and employee benefits		25,887	5,218		
Repairs and maintenance		20,512	6,957	2	9
Equipment rental		60	105		9
Contracted services	9,726	20,762	778	135,565	2,150
Depreciation/amortization		366	9,167	1,920	
Utilities		21,898	318		
Cost of material		4,398	210		2,007
Claims and judgments	46,323				
Fuel		354	12,153		5
Other		2,629	1,092		153
Total operating expenses	56,049	96,866	35,998	137,487	4,333
Operating income (loss)	(20,106)	(1,420)	387	(3,786)	3,046
Nonoperating revenues (expenses):					
Grants		4,068			
Investment earnings	98	7			
Interest expense		(160)		(68)	
Gain (loss) on disposal of assets		(1)	250		
Total nonoperating revenues (expenses)	98	3,914	250	(68)	
Income (loss) before capital contributions and transfers	(20,008)	2,494	637	(3,854)	3,046
Capital contributions	, ,	5,293	131	, ,	
Transfers in	210	1.589	1,515	5,177	
Transfers out		(1,190)	(229)	·	(2,424)
Change in net position	(19,798)	8,186	2,054	1,323	622
Net position (deficits) at beginning of	, ,			·	
year	(8,850)	3,095	55,330	8,033	5,329
Net position (deficits) at end of year	\$ (28,648)	11,281	57,384	9,356	5,951



COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2013 (In Thousands)

(in inousanas)			Road and		
(Continued)	Public Liability Insurance Fund	Purchasing Fund	Communication Equipment Fund	Special District Loans Fund	Total Internal Service Funds
Operating revenues:		_			
Charges for current services	\$ 13,607	7,413	7,793		332,789
Other	164	871	171		6,084
Total operating revenues	13,771	8,284	7,964		338,873
Operating expenses:					
Salaries and employee benefits		5,718			36,823
Repairs and maintenance		20	3,121		30,621
Equipment rental		171			345
Contracted services	8,066	1,101	495		178,643
Depreciation/amortization		102	2,071		13,626
Utilities		52			22,268
Cost of material					6,615
Claims and judgments	(448)				45,875
Fuel			1,495		14,007
Other	4	1,953		4	5,835
Total operating expenses	7,622	9,117	7,182	4	354,658
Operating income (loss)	6,149	(833)	782	(4)	(15,785)
Nonoperating revenues (expenses):					
Grants					4,068
Investment earnings	32	2			139
Interest expense			(1)		(229)
Gain (loss) on disposal of assets		1	(12)		238
Total nonoperating revenues (expenses)	32	3	(13)		4,216
Income (loss) before capital contributions and transfers	6,181	(830)	769	(4)	(11,569)
Capital contributions					5,424
Transfers in		2,654	4,340		15,485
Transfers out		(276)			(4,119)
Change in net position	6,181	1,548	5,109	(4)	5,221
Net position (deficits) at beginning of					00.5
year	8,652	2,413	23,133	909	98,044
Net position (deficits) at end of year	\$ 14,833	3,961	28,242	905	103,265

Combining Financial Statements – Internal Service Funds

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2013

(In Thousands)					011
	Employee Benefits Fund	Facilities Management Fund	Fleet Services Fund	Information Technology Fund	Other Miscellaneous Internal Service Funds
Cash flows from operating activities:					
Cash received from customers	\$ 9	4,229	1,429	128	7,374
Cash received from other funds	35,922	91,632	34,059	133,459	425
Cash payments to suppliers	(3,003)	(67,085)	(19,590)	(121,479)	(4,663)
Cash payments to employees	, ,	(25,914)	(5,202)	, ,	, ,
Cash payments to other funds	(9,582)	(3,571)	(3,750)	(374)	(17)
Cash paid for claims and judgments	(22,660)	, ,	, ,	, ,	, ,
Other payments	, ,				
Net cash provided (used) by operating activities	686	(709)	6,946	11,734	3,119
Cash flows from noncapital financing activities:		, ,			
Operating grants		4,298			
Transfers from other funds	210	1,589	1,515	5,177	
Transfers to other funds		(1,190)	(229)	·	(2,424)
Payments received on advances to other funds		, ,	` ′		, , ,
Principal paid on long-term debt		(895)			
Interest paid on long-term debt		(151)			
Proceeds from loans		38			
Net cash provided (used) by noncapital financing activities	210	3,689	1,286	5,177	(2,424)
Cash flows from capital and related financing activities:			,		(, ,
Capital contributions			106		
Acquisition of capital assets		(23)	(9,201)	(4,573)	
Proceeds from sale of assets		(==)	854	(1,51 5)	
Principal paid on capital lease		(33)			
Interest paid on long-term debt		(11)		(68)	
Net cash provided (used) by capital and related financing		(117		(00)	
activities		(67)	(8,241)	(4,641)	
Cash flows from investing activities:					
Investment earnings	109	8	2		
Net increase (decrease) in cash and cash equivalents	1,005	2,921	(7)	12,270	695
Cash and cash equivalents - beginning of year	106,867	7,938	21,591	19,142	5,911
Cash and cash equivalents - end of year	107,872	10,859	21,584	31,412	6,606
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	(20,106)	(1,420)	387	(3,786)	3,046
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: Decrease (increase) in accounts receivables		49	4	30	(4)
Decrease (increase) in due from other funds	(10)	201	(902)	(144)	(01)
Decrease (increase) in inventory Increase (decrease) in accounts payable	0.000	153	43	14007	(31)
Increase (decrease) in accrued payroll	2,080	470 11	(425)	14,086	(314)
Increase (decrease) in due to other funds	(822)	(693)	(1,350)	(372)	422
Increase (decrease) in unearned revenue	(022)	165	(1,000)	(0,2)	722
Increase (decrease) in compensated absences		(11)	14		
Increase (decrease) in claims and judgments	19,544	, ,			
Depreciation/amortization		366	9,167	1,920	
Total adjustments	20,792	711	6,559	15,520	73
Net cash provided (used) by operating activities	686	(709)	6,946	11,734	3,119
Non-cash investing and capital financing activities:					
Capital acquisitions included in accounts payable		39	607		
Governmental contributions of capital assets	\$	5,293	25		



COMBINING STATEMENT OF CASH FLOWS					
INTERNAL SERVICE FUNDS					
For the Year Ended June 30, 2013					
(In Thousands)			Road and		
	Public Liability		Communication		Total Internal
(Continued)	Insurance Fund	Purchasing Fund	Equipment Fund	Loans Fund	Service Funds
Cash flows from operating activities:	1.75				
Cash received from customers	\$ 165	875	171		14,380
Cash received from other funds	13,607	7,421	7,808		324,333
Cash payments to suppliers	(1,658)	(294)	(478)		(218,250)
Cash payments to employees	(5.077)	(5,726)	// 00 //		(36,842)
Cash payments to other funds	(5,977)	(2,967)	(4,996)		(31,234)
Cash paid for claims and judgments	(1,383)			(4)	(24,043)
Other payments Net cash provided (used) by operating activities	(2) 4,752	(691)	2,505	(4)	28,338
Cash flows from noncapital financing activities:	4,/32	(071)	2,303	(4)	20,330
Operating grants					4,298
Transfers from other funds		2,654	4,340		15,485
Transfers to other funds		(276)	7,540		(4,119)
Payments received on advances to other funds		(270)		15	15
Principal paid on long-term debt				10	(895)
Interest paid on long-term debt					(151)
Proceeds from loans					38
Net cash provided (used) by noncapital financing activities		2,378	4,340	15	14,671
Cash flows from capital and related financing activities:					
Capital contributions					106
Acquisition of capital assets		(31)	(2,759)		(16,587)
Proceeds from sale of assets		1	222		1,077
Principal paid on capital lease					(33)
Interest paid on long-term debt			(3)		(82)
Net cash provided (used) by capital and related financing activities		(30)	(2,540)		(15,519)
Cash flows from investing activities:					154
Investment earnings	36	1			156
Net increase (decrease) in cash and cash equivalents	4,788	1,658	4,305	11	27,646
Cash and cash equivalents - beginning of year	35,651	2,270 3,928	10,106 14,411	849 860	210,325
Cash and cash equivalents - end of year Reconciliation of operating income (loss) to net cash	40,439	3,928	14,411	860	237,971
provided (used) by operating activities:					
Operating income (loss)	6,149	(833)	782	(4)	(15,785)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Decrease (increase) in accounts receivables					79
Decrease (increase) in due from other funds		11	15		(829)
Decrease (increase) in inventory Increase (decrease) in accounts payable	35	1	(445)		166
Increase (decrease) in accrued payroll	33	2 12	(445)		15,489 31
Increase (decrease) in due to other funds	399	23	82		(2,311)
Increase (decrease) in unearned revenue					165
Increase (decrease) in compensated absences		(9)			(6)
Increase (decrease) in claims and judgments	(1,831)	1.22			17,713
Depreciation/amortization Total adjustments	(1,397)	102 142	2,071 1,723		13,626 44,123
Net cash provided (used) by operating activities	4,752	(691)	2,505	(4)	28,338
Non-cash investing and capital financing activities:	7,732	(0/1)	2,500	(4)	20,000
Capital acquisitions included in accounts payable			1,016		1,662
Governmental contributions of capital assets	\$,,,,,,		5,318
	-				-,



AGENCY FUNDS

Agency funds are used to account for situations where the County's role is purely custodial, such as the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Accordingly, assets reported in the agency funds are offset by a liability to the party on whose behalf they are held.

Property Tax Collection Funds

These funds are used for recording the collection and distribution of property taxes.

Other Agency Funds

These funds maintain assets held in an agent capacity for other governments, organizations and individuals. These assets do not support the County's programs or services. Any portion of agency fund assets held at fiscal year end for other funds are reported in those funds rather than in the agency funds.

Combining Financial Statements – Agency Funds

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES Agency Funds

For the Year Ended June 30, 2013

(In Thousands)				
	Beginning Balance	Additions	Deductions	Ending Balance
PROPERTY TAX COLLECTION FUNDS				
ASSETS				
Pooled cash and investments	\$ 57,784	15,998,760	15,988,833	67,711
Receivables:				
Accounts receivable	2,044		2,044	
Investment earnings receivable	242	2,766	2,635	373
Taxes receivable		5,396,937	5,396,937	
Total assets	60,070	21,398,463	21,390,449	68,084
LIABILITIES				
Accounts payable	2	1,827,223	1,827,096	129
Due to other governments	60,068	20,590,798	20,582,911	67,955
Total liabilities	60,070	22,418,021	22,410,007	68,084
OTHER AGENCY FUNDS				
ASSETS				
Pooled cash and investments	287,623	19,325,696	19,333,551	279,768
Cash with fiscal agents	1,502	8,403	9,153	752
Receivables:				
Accounts receivable	12	573	179	406
Investment earnings receivable	3,288	23,104	20,730	5,662
Other receivables		7,649	7,649	
Total assets	292,425	19,365,425	19,371,262	286,588
LIABILITIES				
Accounts payable	19,373	2,199,180	2,200,387	18,166
Warrants outstanding	167,292	9,383,515	9,372,150	178,657
Accrued payroll	8	13,734	13,736	6
Due to other governments	105,752	2,157,903	2,173,896	89,759
Total liabilities	292,425	13,754,332	13,760,169	286,588
TOTAL AGENCY FUNDS				
ASSETS				
Pooled cash and investments	345,407	35,324,456	35,322,384	347,479
Cash with fiscal agents	1,502	8,403	9,153	752
Receivables:				
Accounts receivable	2,056	573	2,223	406
Investment earnings receivable	3,530	25,870	23,365	6,035
Taxes receivable		5,396,937	5,396,937	
Other receivables		7,649	7,649	
Total assets	352,495	40,763,888	40,761,711	354,672
LIABILITIES				
Accounts payable	19,375	4,026,403	4,027,483	18,295
Warrants outstanding	167,292	9,383,515	9,372,150	178,657
Accrued payroll	8	13,734	13,736	6
Due to other governments	165,820	22,748,701	22,756,807	157,714
Total liabilities	\$ 352,495	36,172,353	36,170,176	354,672

INTRODUCTION

Government Accounting Standards Board (GASB) Statement No. 44, Economic Condition Reporting: The Statistical Section (an amendment of NCGA Statement 1) requires that certain detailed statistical information be presented in this section, typically in ten-year trends, to assist users in utilizing the basic financial statements, notes to the financial statements, and required supplementary information in order to assess the economic condition of the County. Provisions of this Statement require that governments preparing this statistical section are encouraged but not required, to report all years of information retroactively.

In this regard, when available, ten year trend information has been provided. When accounting data or other information is unavailable, statistical tables are footnoted to indicate as such. Generally, information was unavailable due to the following:

- Accounting data used in the preparation of the Comprehensive Annual Financial Reports prior to the County's implementation of changes in accounting and presentation called for in GASB Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, (implemented by the County in Fiscal Year 2002) was not archived in such a manner to enable a retroactive restatement of previous years accounting data.
- Non-accounting trend data called for by Statement No. 44 which was significantly different than data reported in previous fiscal years' statistical tables was either not available from external sources in the format required or was not available in internal archived data.

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These Tables contain information to help the reader understand how the County's financial performance and well-being have changed over time.
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Debt Capacity17 ²
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provides and the activities it performs.

These Tables contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County

Sources: Unless otherwise noted, the information in the following tables is derived from the comprehensive annual financial reports for the relevant year.

Table 1 **County of San Diego Net Position by Component Last Ten Fiscal Years** (Accrual Basis of Accounting)

(In Thousands)

	Fiscal Year					
	2004	2005	2006	2007	2008	
Net position						
Governmental activities						
Net investment in capital assets	\$ 2,324,806	2,341,126	2,367,442	2,409,050	2,468,142	
Restricted	169,983	223,565	224,635	162,318	181,198	
Unrestricted	(668,868)	(541,048)	(197,916)	178,231	351,326	
Total governmental activities net position	1,825,921	2,023,643	2,394,161	2,749,599	3,000,666	
Business-type activities						
Net investment in capital assets	78,485	84,416	97,212	112,549	126,237	
Restricted					-	
Unrestricted	79,358	76,310	81,125	84,779	92,686	
Total business-type activities net position	157,843	160,726	178,337	197,328	218,923	
Primary government						
Net investment in capital assets	2,403,291	2,425,542	2,464,654	2,521,599	2,594,379	
Restricted	169,983	223,565	224,635	162,318	181,198	
Unrestricted	(589,510)	(464,738)	(116,791)	263,010	444,012	
Total primary government net position	\$ 1,983,764	2,184,369	2,572,498	2,946,927	3,219,589	
Total primary government net position	\$ 1,983,764	2,184,369	2,572,498	2,946,927	3,219	

			Fiscal Year		
	2009	2010	2011	2012	2013
Net position					
Governmental activities					
Net investment in capital assets	\$ 2,582,854	2,595,105	2,675,240	2,770,556	2,861,061
Restricted	314,107	247,585	529,808	553,249	619,855
Unrestricted	319,669	535,103	365,165	454,565	514,015
Total governmental activities net position	3,216,630	3,377,793	3,570,213	3,778,370	3,994,931
Business-type activities					
Net investment in capital assets	148,146	164,845	163,268	162,874	167,430
Restricted					
Unrestricted	88,909	87,254	89,602	87,348	81,185
Total business-type activities net position	237,055	252,099	252,870	250,222	248,615
Primary government					
Net investment in capital assets	2,731,000	2,759,950	2,838,508	2,933,430	3,028,491
Restricted	314,107	247,585	529,808	553,249	619,855
Unrestricted	408,578	622,357	454,767	541,913	595,200
Total primary government net position	\$ 3,453,685	3,629,892	3,823,083	4,028,592	4,243,546

Table 2 **County of San Diego Changes in Net Position** For the Last Ten Fiscal Years

(Accrual Basis of Accounting) (In Thousands)

	(III IIII)		Fiscal Year		
_	2004	2005	2006	2007	2008
Expenses					
Governmental activities					
General government \$	234,759	232,826	240,158	249,993	298,607
Public protection	1,173,532	960,227	1,021,464	1,079,320	1,180,114
Public ways and facilities	160,344	122,797	128,268	133,148	144,452
Health and sanitation	564,796	545,805	559,709	580,384	638,869
Public assistance	1,052,911	972,592	1,015,481	1,043,454	1,114,453
Education	31,722	27,394	32,488	33,223	36,355
Recreation and cultural	26,493	21,405	23,376	28,469	33,941
Interest on long-term debt	91,897	106,612	116,692	146,997	119,138
Total governmental activities expenses	3,336,454	2,989,658	3,137,636	3,294,988	3,565,929
Business-type activities					
Airport	7,373	8,117	7,699	8,209	8,848
Wastewater Management	4,005	5,076	4,733	4,422	5,320
Sanitation District	15,828	20,564	15,133	15,620	17,574
Total business-type activities expenses	27,206	33,757	27,565	28,251	31,742
Total primary government expenses	3,363,660	3,023,415	3,165,201	3,323,239	3,597,671
Program revenues					
Governmental activities					
Charges for services:					
General government	93,143	84,769	99,083	98,365	130,645
Public protection	206,679	229,150	202,941	201,332	217,953
Other activities	122,139	100,465	153,535	153,717	137,020
Operating grants and contributions	1,914,614	1,867,829	2,067,803	2,113,585	2,152,380
Capital grants and contributions	67,357	32,303	5,283	7,559	24,474
Total governmental activities program revenues	2,403,932	2,314,516	2,528,645	2,574,558	2,662,472
Business-type activities					
Charges for services:					
Airport	6,734	8,345	7,433	9,367	16,097
Wastewater management	5,447	5,357	4,322	4,662	5,318
Sanitation district	15,765	16,949	17,251	17,995	20,060
Operating grants and contributions	4,153	3,700	9,994	8,257	7,725
Capital grants and contributions	1,539	1,036	58	464	
Total business-type program revenues	33,638	35,387	39,058	40,745	49,200
Total primary government program revenues	2,437,570	2,349,903	2,567,703	2,615,303	2,711,672
Net (Expense) Revenue					
Governmental activities	(932,522)	(675,142)	(608,991)	(720,430)	(903,457)
Business-type activities	6,432	1,630	11,493	12,494	17,458
Total primary government net (expense) revenue \$	(926,090)	(673,512)	(597,498)	(707,936)	(885,999)



Statistical Section

Table 2

County of San Diego Changes in Net Position For the Last Ten Fiscal Years (Accrual Basis of Accounting) (In Thousands)

(Continued)

			Fiscal Year		
	2009	2010	2011	2012	2013
Expenses					
Governmental activities					
General government	\$ 275,508	304,305	229,767	271,485	240,409
Public protection	1,158,162	1,091,910	1,128,967	1,179,815	1,236,708
Public ways and facilities	151,125	131,982	130,239	132,166	135,432
Health and sanitation	678,217	681,448	721,939	790,907	851,246
Public assistance	1,177,320	1,171,603	1,191,559	1,175,678	1,183,923
Education	42,424	39,165	35,734	34,669	34,104
Recreation and cultural	34,542	33,629	36,699	36,128	34,204
Interest on long-term debt	118,927	111,942	106,381	102,338	95,801
Total governmental activities expenses	3,636,225	3,565,984	3,581,285	3,723,186	3,811,827
Business-type activities					
Airport	10,614	12,389	12,876	12,736	14,107
Wastewater Management	16,666	5,523	5,806	5,980	22,936
Sanitation District	5,794	18,831	21,699	22,335	5,754
Total business-type activities expenses	33,074	36,743	40,381	41,051	42,797
Total primary government expenses	3,669,299	3,602,727	3,621,666	3,764,237	3,854,624
Program revenues					
Governmental activities					
Charges for services:					
General government	93,939	90,503	92,085	99,872	98,205
Public protection	215,343	204,405	235,913	237,632	244,612
Other activities	133,834	150,461	160,067	168,851	153,958
Operating grants and contributions	2,181,366	2,192,591	2,211,946	2,317,522	2,467,966
Capital grants and contributions	60,703	33,246	25,329	11,005	32,728
Total governmental activities program revenues	2,685,185	2,671,206	2,725,340	2,834,882	2,997,469
Business-type activities					
Charges for services:					
Airport	9,397	9,299	11,301	11,568	11,077
Wastewater management	6,567	6,616	6,509	6,502	6,561
Sanitation district	20,114	19,823	20,431	18,406	18,564
Operating grants and contributions	12,974	15,330	1,544	539	4,933
Capital grants and contributions			·		
Total business-type program revenues	49,052	51,068	39,785	37,015	41,135
Total primary government program revenues	2.734.237	2.722.274	2,765,125	2,871,897	3,038,604
	_,, _ ,,	_,,	_/, 55/5	_/0: :/0::	5,555,55
Net (Expense) Revenue					
Governmental activities	(951,040)	(894,778)	(855,945)	(888,304)	(814,358)
Business-type activities	15,978	14,325	(596)	(4,036)	(1,662)
Total primary government net (expense) revenue		(880,453)	(856,541)	(892,340)	(816,020)
Total plantary government for toxportsoy fovortion	Ψ (700,002)	(555, 156)	(000,041)	(5,2,540)	(010,020)



Table 2

County of San Diego Changes in Net Position For the Last Ten Fiscal Years (Accrual Basis of Accounting) (In Thousands)

(Continued)

	Fiscal Year					
		2004	2005	2006	2007	2008
General revenues and other changes in net positi	on					
Governmental activities						
Taxes:						
Property taxes	\$	496,917	441,716	516,569	559,726	637,491
Other taxes		4,200	96,927	34,219	26,760	20,374
Intergovernmental unrestricted:						
Property taxes in lieu of VLF (1)			203,788	261,695	277,930	303,348
Sales and use taxes		50,046	8,524	23,475	26,534	24,872
Investment earnings		18,452	38,066	63,810	88,974	87,554
Other general revenues			83,079	78,651	95,343	80,804
Total governmental general revenues		569,615	872,100	978,419	1,075,267	1,154,443
Special Item: gain or loss on sale of properties						
Transfers		673	764	1,090	601	81
Total governmental activities		570,288	872,864	979,509	1,075,868	1,154,524
Business-type activities						
Investment earnings		417	1,730	7,048	4,189	4,113
Other general revenues			287	160	2,909	105
Total business-type general revenues		417	2,017	7,208	7,098	4,218
Transfers		(673)	(764)	(1,090)	(601)	(81)
Total business-type activities		(256)	1,253	6,118	6,497	4,137
Total primary government		570,032	874,117	985,627	1,082,365	1,158,661
Change in net position						
Governmental activities		(362,234)	197,722	370,518	355,438	251,067
Business-type activities		6,176	2,883	17,611	18,991	21,595
Total change in net position	\$	(356,058)	200,605	388,129	374,429	272,662

(1) In 2005, the County's share of vehicle license fee (VLF) was eliminated and replaced with property tax revenue



Statistical Section

Table 2

County of San Diego Changes in Net Position For the Last Ten Fiscal Years (Accrual Basis of Accounting) (In Thousands)

(Continued)

		Fiscal Year					
		2009	2010	2011	2012	2013	
General revenues and other changes in net	oosition						
Governmental activities							
Taxes:							
Property taxes	\$	618,048	593,553	580,570	616,183	587,145	
Other taxes		15,167	15,991	16,207	17,200	20,912	
Intergovernmental unrestricted:							
Property taxes in lieu of VLF (1)		316,925	308,842	303,625	304,614	303,646	
Sales and use taxes		22,435	20,576	22,457	25,055	24,809	
Investment earnings		57,859	30,941	22,024	12,338	3,504	
Other general revenues		118,929	85,693	104,260	110,676	90,789	
Total governmental general revenues		1,149,363	1,055,596	1,049,143	1,086,066	1,030,805	
Transfers		151	345	(778)	(28)	114	
Extraordinary gain					10,423		
Total governmental activities		1,149,514	1,055,941	1,048,365	1,096,461	1,030,919	
Business-type activities							
Investment earnings		2,237	1,046	582	1,151	46	
Other general revenues		68	18	7	209	123	
Total business-type general revenues		2,305	1,064	589	1,360	169	
Transfers		(151)	(345)	778	28	(114)	
Total business-type activities		2,154	719	1,367	1,388	55	
Total primary government		1,151,668	1,056,660	1,049,732	1,097,849	1,030,974	
Change in net position							
Governmental activities		198,474	161,163	192,420	208,157	216,561	
Business-type activities		18,132	15,044	771	(2,648)	(1,607)	
Total change in net position	\$	216,606	176,207	193,191	205,509	214,954	

(1) In 2005, the County's share of vehicle license fee (VLF) was eliminated and replaced with property tax revenue

Table 3

County of San Diego Fund Balances Governmental Funds Last Ten Fiscal Years

(In Thousands)

	Fiscal Year						
	2004	2005	2006	2007	2008		
General Fund							
Reserved	\$ 213,292	291,832	272,936	410,244	273,231		
Unreserved	337,708	375,626	625,949	744,838	947,235		
Total general fund	551,000	667,458	898,885	1,155,082	1,220,466		
All Other Governmental Funds							
Reserved	208,900	284,316	278,878	274,024	199,472		
Unreserved, reported in:							
Special Revenue Funds (1)	523,399	481,792	633,430	624,996	672,652		
Capital Projects Funds	10,864	84,389	65,452	73,923	30,210		
Total other governmental funds	\$ 743,163	850,497	977,760	972,943	902,334		

	Fiscal Year						
	2009	2010	2011	2012	2013		
General Fund							
Reserved	\$ 266,434	162,257					
Unreserved	923,604	1,057,851					
Nonspendable(2)			11,257	12,443	12,347		
Restricted (2)			214,956	245,713	295,264		
Committed (2)			514,739	515,234	464,831		
Assigned (2)			40,614	51,325	184,526		
Unassigned (2)			612,814	663,132	644,454		
Total general fund	1,190,038	1,220,108	1,394,380	1,487,847	1,601,422		
All Other Governmental Funds							
Reserved	213,984	175,900					
Unreserved, reported in:							
Special Revenue Funds (1)	668,626	705,469					
Capital Projects Funds	157,221	89,926					
Nonspendable (2)			5,148	5,281	5,600		
Restricted (2)			372,730	424,512	433,952		
Committed (2)			467,950	440,767	413,796		
Total other governmental funds	\$ 1,039,831	971,295	845,828	870,560	853,348		

⁽¹⁾ The increase in the unreserved fund balance of special revenue funds was principally due to the proceeds received from the issuance of San Diego County Tobacco Securitization Corporation Series Tobacco Settlement Asset-Backed Bonds in 2006.

⁽²⁾ Beginning in fiscal year 2011, governmental fund balances are required to be reported as nonspendable, restricted, committed, assigned, and unassigned.

Table 4

County of San Diego Changes in Fund Balances Governmental Funds Last Ten Fiscal Years

(Modified Accrual Basis of Accounting) (In Thousands)

			Fiscal Year		
	2004	2005	2006	2007	2008
Revenues:					
Taxes	\$ 497,178	717,174	1,102,032	1,146,937	971,616
Licenses, permits and franchise fees	42,252	42,954	41,824	43,807	45,257
Fines, forfeitures and penalties	46,495	55,538	60,071	58,355	63,014
Revenue from use of money and property	25,867	50,811	76,608	93,246	137,963
Aid from other governmental agencies:					
State	1,201,278	1,080,663	867,063	927,850	1,169,642
Federal	701,057	729,725	793,039	820,851	908,582
Other	69,860	74,272	94,866	100,323	79,066
Charges for current services	277,637	286,631	314,021	325,049	312,018
Other	65,913	84,410	67,419	76,680	73,745
Total revenues	2,927,537	3,122,178	3,416,943	3,593,098	3,760,903
Expenditures:					
General government	216,183	211,521	199,349	233,471	277,286
Public protection	1,216,276	939,070	1,014,653	1,065,984	1,145,807
Public ways and facilities	115,426	84,560	67,145	74,319	80,051
Health and sanitation	562,657	541,921	556,165	577,389	633,382
Public assistance	1,053,545	970,208	1,011,315	1,043,293	1,111,701
Education	31,308	27,119	32,043	32,961	35,569
Recreation and cultural	24,702	19,614	22,964	26,774	32,042
Total CAFR Governmental functions	 3,220,097	2,794,013	2,903,634	3,054,191	3,315,838
Capital outlay	 54,958	54,157	109,897	138,017	157,818
Debt service:					
Principal	69,839	60,849	57,245	73,816	184,614
Interest	92,503	94,556	109,491	116,095	107,631
Bond issuance costs	4,095	1,915	6,172	885	
Payment to refunded bond escrow agent			24,256		
Total expenditures	 3,441,492	3,005,490	3,210,695	3,383,004	3,765,901
Excess (deficiency) of revenues over (under) expenditures	(513,955)	116,688	206,248	210,094	(4,998)
Other financing sources (uses)					
Sale of capital assets	4,044	18,400	12,355	1,601	68
Issuance of bonds and loans:					
Face value of bonds issued		83,510	166,611	42,390	
Face value of loans issued		160		462	
Discount on issuance of bonds			(20,501)		
Premium on issuance of bonds		5,960	1,308	606	
Long-term debt proceeds	454,179				
Refunding bonds issued		28,885	461,230		
Payment to refunded bond escrow agent		(31,633)	(467,458)		
Transfers in	776,167	819,490	867,973	512,386	594,512
Transfers (out)	(777,180)	(819,627)	(868,908)	(514,680)	(594,882)
Total other financing sources (uses)	 457,210	105,145	152,610	42,765	(302)
Net change in fund balances	\$ (56,745)	221,833	358,858	252,859	(5,300)
Debt service as a percentage of noncapital expenditures	4.79%	5.27%	5.38%	5.85%	8.10%

Table 4

County of San Diego Changes in Fund Balances Governmental Funds Last Ten Fiscal Years

(Modified Accrual Basis of Accounting) (In Thousands)

(Continued)

			Fiscal Year		
	2009	2010	2011	2012	2013
Revenues:					
Taxes	973,899	946,324	934,737	966,512	941,644
Licenses, permits and franchise fees	49,990	47,578	51,144	51,823	52,746
Fines, forfeitures and penalties	59,348	57,869	54,267	53,818	50,070
Revenue from use of money and property	70,911	46,100	39,545	29,765	21,918
Aid from other governmental agencies:					
State	1,161,312	1,136,756	1,192,401	1,276,289	1,374,266
Federal	858,066	963,285	945,168	969,818	946,356
Other	144,205	102,708	72,071	82,292	138,575
Charges for current services	316,214	318,283	359,239	369,586	366,442
Other	111,431	81,219	90,486	104,647	78,455
Total revenues	3,745,376	3,700,122	3,739,058	3,904,550	3,970,472
Expenditures:					
General government	249,324	205,456	223,290	210,375	226,648
Public protection	1,133,843	1,063,890	1,088,377	1,149,575	1,187,848
Public ways and facilities	85,802	66,393	61,967	64,922	66,514
Health and sanitation	669,725	675,256	714,022	782,504	840,735
Public assistance	1,172,400	1,169,287	1,184,632	1,171,662	1,178,112
Education	41,461	37,422	34,599	32,210	32,034
Recreation and cultural	32,561	29,982	33,054	33,302	31,092
Total CAFR Governmental functions	3,385,116	3,247,686	3,339,941	3,444,550	3,562,983
Capital outlay -	179,662	205,512	186,342	212,304	165,737
Debt service:					
Principal	112,275	169,059	64,016	61,241	75,687
Interest	103,831	101,036	97,290	94,320	93,678
Bond issuance costs	3,959	739	349	374	393
Payment to refunded bond escrow agent		15,377	3,437		
Total expenditures	3,784,843	3,739,409	3,691,375	3,812,789	3,898,478
Excess (deficiency) of revenues over (under) expenditures	(39,467)	(39,287)	47,683	91,761	71,994
Other financing sources (uses)					
Sale of capital assets	31	365	2,673	740	5,997
Issuance of bonds and loans:			•		
Face value of bonds issued	136,885			32,665	29,335
Face value of loans issued					
Discount on issuance of bonds				(182)	
Premium on issuance of bonds	1,175	7,803	1,237	(/	574
Long-term debt proceeds	.,	.,	.,		
Refunding bonds issued	443,515	80,940	19,260		
Payment to refunded bond escrow agent	(441,038)	(83,173)	(18,774)		
Transfers in	525,424	452,018	426,611	460,192	460,931
Transfers (out)	(525,689)	(457,683)	(430,527)	(465,106)	(472,183)
Total other financing sources (uses)	140,303	270	480	28,309	24,654
Extraordinary loss	. 10,000	2,0	100	(3,126)	24,004
Net change in fund balances	100,836	(39,017)	48,163	116,944	96,648
Debt service as a percentage of noncapital expenditures	5.99%	7.64%	4.60%	4.32%	4.54%

Table 5

County of San Diego Assessed Value of Taxable Property Last Ten Fiscal Years (1)

(In Thousands)

	Real Pro	operty	Personal	Property	Less: Tax Exempt			
Fiscal Year	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Total Taxable Assessed Value	Total Direct Tax Rate
2004	\$ 247,063,576	\$ 2,728,490	\$ 3,007,787	\$ 8,941,840	\$ 5,961,964	\$ 780,078	\$ 254,999,651	1.00000
2005	273,700,150	2,645,348	2,951,588	8,852,828	6,504,638	827,514	280,817,762	1.00000
2006	310,318,786	2,748,781	3,273,999	9,533,091	6,958,731	957,441	317,958,485	1.00000
2007	347,969,648	3,380,284	2,461,837	10,739,964	7,500,343	1,053,199	355,998,191	1.00000
2008	381,485,632	3,321,363	3,528,453	10,387,757	8,219,783	1,207,922	389,295,500	1.00000
2009	398,804,220	3,411,110	3,604,712	10,891,875	9,043,072	1,293,899	406,374,946	1.00000
2010	389,083,154	3,261,524	3,597,697	11,596,968	9,779,505	1,465,316	396,294,522	1.00000
2011	384,566,788	3,361,476	3,642,380	10,997,174	10,332,112	1,458,658	390,777,048	1.00000
2012	387,715,176	3,326,188	3,604,459	10,878,963	10,959,285	1,578,206	392,987,295	1.00000
2013	388,067,793	3,362,102	3,785,463	10,908,493	11,532,649	1,632,359	392,958,843	1.00000

⁽¹⁾ Due to the passage of Proposition 13 (Prop 13) in 1978, the County does not track the estimated actual value of real and personal properties; therefore, assessed value as a percentage of actual value is not applicable. Under Prop 13, property is assessed at the 1978 market value with an annual increase limited to the lesser of 2% or the CPI on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value.

Source: County of San Diego, Auditor and Controller, Property Tax Services Division

Table 6

County of San Diego

Property Tax Rates - Direct and Overlapping Governments (Per \$100 of Assessed Value) **Last Ten Fiscal Years**

					Fiscal	Years				
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Direct Rates (1)										
County of San Diego	0.146	0.130	0.133	0.140	0.139	0.138	0.140	0.140	0.140	0.140
Cities	0.204	0.199	0.200	0.219	0.225	0.229	0.232	0.232	0.231	0.232
Schools	0.614	0.642	0.637	0.605	0.600	0.597	0.594	0.594	0.595	0.594
Special Districts	0.036	0.029	0.030	0.036	0.036	0.036	0.034	0.034	0.034	0.034
Total Direct Rates	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Overlapping Rates (2)										
Cities	0.003	0.004	0.004	0.005	0.005	0.004	0.004	0.004	0.004	0.004
Schools	0.062	0.062	0.059	0.055	0.058	0.050	0.063	0.066	0.073	0.073
Special Districts	0.007	0.006	0.008	0.009	0.009	0.007	0.008	0.008	0.009	0.009
Total Overlapping Rates	0.072	0.072	0.071	0.069	0.072	0.061	0.075	0.078	0.086	0.086
Total Direct and Overlapping Rates	1.072	1.072	1.071	1.069	1.072	1.061	1.075	1.078	1.086	1.086

⁽¹⁾ The \$1.00 per \$100 of Assessed Value (Proposition 13) tax rate beginning in Fiscal Year 1978-79 is distributed according to State Law on a percentage basis to each of the eligible taxing agencies in the County.

Source: County of San Diego, Auditor and Controller, Property Tax Services Division

⁽²⁾ Overlapping rates for cities, schools and special districts are chargeable to property owners within their respective tax rate areas (TRA). Overlapping rates do not apply to all property owners (e.g. the rates for special districts apply only to property owners whose property is located within the geographic boundary (TRA) of the special district.

Table 7 **County of San Diego**

Principal Property Taxpayers Current Year and Nine Years Ago

(In Thousands)

		2013		2004		
Taxpayer	Secured Taxable Assessed Value	Rank	Percentage of Total Secured Taxable Assessed Value	Secured Taxable Assessed Value	Rank	Percentage of Total Secured Taxable Assessed Value
San Diego Gas & Electric Company	\$ 6,680,341	1	1.76%	\$ 2,672,125	1	1.09%
	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			, , , ,		
Southern California Edison Co.	2,458,486	2	0.65%	1,565,351	2	0.64%
Host Hotels and Resorts	1,547,903	3	0.41%			
Irvine Co.	1,486,278	4	0.39%			
Kilroy Realty LP	1,369,583	5	0.36%	609,558	4	0.25%
Qualcomm Inc	1,260,447	6	0.33%	486,805	5	0.20%
B S K Del Partners LLC	966,452	7	0.25%			
Pacific Bell Telephone Company	811,092	8	0.21%			
Sunstone Park Lessees LLC	600,540	9	0.16%			
O C/S D Holdings LLC	600,462	10	0.16%			
SBC California				1,065,200	3	0.44%
Fashion Valley Mall LLC				426,783	6	0.17%
Cabrillo Power I LLC				373,200	7	0.15%
L-O Coronado Holdings LLC				302,067	8	0.12%
Sea World Inc				295,550	9	0.12%
J M S Acquisition Sub Inc				264,738	10	0.11%
Totals	\$ 17,781,584		4.68%	\$ 8,061,377		3.29%
Source: County of San Diego, Auditor	and Controller, Pro	perty Tax S	ervices Division			

Table 8

County of San Diego

Property Tax Levies and Collections

Last Ten Fiscal Years (In Thousands)

			the Fiscal Year of Levy		Total Collec	tions to Date
Fiscal Year	Total Tax Levy for Fiscal Year (1)	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2004	\$ 2,549,997	\$ 2,512,209	98.52%	\$ 30,545	\$ 2,542,754	99.72%
2005	2,808,178	2,759,201	98.26%	41,475	2,800,676	99.73%
2006	3,179,585	3,110,799	97.84%	62,131	3,172,930	99.79%
2007	3,559,982	3,454,709	97.04%	95,528	3,550,237	99.73%
2008	3,892,955	3,739,090	96.05%	135,662	3,874,752	99.53%
2009	4,063,749	3,903,633	96.06%	126,167	4,029,800	99.16%
2010	3,962,945	3,821,278	96.43%	86,132	3,907,410	98.60%
2011	3,907,770	3,795,900	97.14%	48,542	3,844,442	98.38%
2012	3,929,873	3,819,892	97.20%	34,043	3,853,935	98.07%
2013	3,929,588	3,871,591	98.52%	N/A	3,871,591	98.52%

⁽¹⁾ Includes secured, unsecured and unitary tax levy for the County and school districts, cities and special districts under the supervision of independent governing boards.

Source: County of San Diego, Auditor and Controller, Property Tax Services Division

Table 9

County of San Diego

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(In Thousands, Except Per Capita Amount)

		Fiscal Year								
		2004	2005	2006	2007	2008				
Governmental Activities:										
Certificates of Participation & Lease										
Revenue Bonds	\$	341,391	394,655	360,625	369,685	335,532				
San Diego County Redevelopment Agency Revenue Refunding Bonds		4,400	4,260	15,955	15,597	15,279				
Tobacco Settlement Asset-Backed										
Bonds		434,270	424,520	523,123	541,108	543,687				
Pension Obligation Bonds		1,254,806	1,241,689	1,231,369	1,203,698	1,068,200				
Capital and retrofit loans		5,750	7,316	8,098	7,920	7,043				
Capitalized Leases		37,346	34,625	31,894	29,623	27,590				
Business-type Activities:										
Capital Loans		2,998	2,926	2,745	2,551	2,255				
Sanitation Loans		195								
Total Primary Government	\$	2,081,156	2,109,991	2,173,809	2,170,182	1,999,586				
Percentage of Personal Income (1)		1.75%	1.67%	1.63%	1.51%	1.48%				
Per Capita (1)	\$	709	717	737	730	636				
/ /	,									

			Fiscal Year		
	2009	2010	2011	2012	2013
Governmental Activities:					
Certificates of Participation & Lease Revenue Bonds	\$ 475,913	432,760	402,396	410,126	413,992
San Diego County Redevelopment Agency Revenue Refunding Bonds (2)	14,945	14,602	14,243		
Tobacco Settlement Asset-Backed Bonds	543,374	548,817	556,039	562,391	551,350
Pension Obligation Bonds	1,003,490	872,540	839,652	805,272	769,068
Capital and retrofit loans	7,043	7,404	7,162	6,167	5,169
Capitalized Leases		242	212	185	152
Business-type Activities:					
Capital Loans	2,038	1,809	1,566	1,313	1,046
Total Primary Government	\$ 2,046,803	1,878,174	1,821,270	1,785,454	1,740,777
Percentage of Personal Income (1)	1.49%	1.24%	1.17%	1.14%	1.11%
Per Capita (1)	\$ 643	582	585	568	553

⁽¹⁾ See table 13 Demographic and Economic Statistics

⁽²⁾ Pursuant to California Assembly Bill ABx1 26, the responsibility for the payment of this debt was transferred to the County of San Diego Successor Agency Private Purpose Trust Fund.

Table 10

County of San Diego

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

(In Thousands, Except Per Capita Amount)

			Fiscal Year		
	2004	2005	2006	2007	2008
Certificates of Participation & Lease Revenue Bonds	\$ 341,391	394,655	360,625	369,685	335,532
Less: Amounts Available in Debt Service Fund	21,798	29,085	29,380	35,238	26,474
Net Certificates of Participation & Lease Revenue Bonds	319,593	365,570	331,245	334,447	309,058
Pension Obligation Bonds	1,254,806	1,241,689	1,231,369	1,203,698	1,068,200
Less: Amounts Available in Debt Service Fund	 14,966	66,550	50,822	27,328	15,248
Net Pension Obligation Bonds	1,239,840	1,175,139	1,180,547	1,176,370	1,052,952
Total Net Bonded Debt	\$ 1,559,433	1,540,709	1,511,792	1,510,817	1,362,010
Percentage of Actual Taxable Value of Property (1)	0.61%	0.55%	0.48%	0.42%	0.35%
Per Capita (2)	532	524	513	508	433
			Fiscal Year		
	2009	2010	2011	2012	2013
Certificates of Participation & Lease Revenue Bonds	\$ 475,913	432,760	402,396	410,126	413,992
Less: Amounts Available in Debt Service Fund	50,513	35,547	26,867	26,860	28,140
Net Certificates of Participation & Lease Revenue Bonds	425,400	397,213	375,529	383,266	385,852
Pension Obligation Bonds	1,003,490	872,540	839,652	805,272	769,068
Less: Amounts Available in Debt Service Fund	15,741	3,364	2,117	629	161
Net Pension Obligation Bonds	987,749	869,176	837,535	804,643	768,907
Total Net Bonded Debt	\$ 1,413,149	1,266,389	1,213,064	1,187,909	1,154,759
Percentage of Actual Taxable Value of Property (1)	0.35%	0.32%	0.31%	0.30%	0.29%
Per Capita (2)	444	393	389	378	367
(1) See Total Assessed Value on Statistical Table 5.					
(O) Commenced attacks and Chattatia at Tarlata 10					

⁽²⁾ See population data on Statistical Table 13.

Table 11

County of San Diego Legal Debt Margin Information Last Ten Fiscal Years (In Thousands)

		(III I III Uusaiiu	is j		
			Total Net Debt		
			Applicable to		Legal Debt Margin/
Fiscal Year		Debt Limit	Limit (1)	Legal Debt Margin	Debt Limit
2004	\$	3,187,496		\$ 3,187,496	100%
2005		3,510,222		3,510,222	100%
2006		3,974,481		3,974,481	100%
0007				4 440 077	1000
2007		4,449,977		4,449,977	100%
2008		4,866,194		4,866,194	100%
2000		4,000,174		4,000,174	100%
2009		5,079,687		5,079,687	100%
2007		0,0,00.		0,0,7,00,	1.0070
2010		4,953,682		4,953,682	100%
2011		4,884,713		4,884,713	100%
2012		4,912,341		4,912,341	100%
0010		4 011 00 4		4011.004	1000
2013		4,911,986		4,911,986	100%
Legal Debt Margin Calculation for Fiscal Year 2013					
Assessed value	\$	392,958,843			
Assessed value	Ψ	372,730,043			
Debt limit (1.25% of total assessed value) (2)		4,911,986			
Debt applicable to limit:		.,,			
General obligation bonds					
Less: Amount set aside for repayment of general obligation debt					
Total net debt applicable to limit					
Legal debt margin	\$	4,911,986			
	_				

⁽¹⁾ For the fiscal years presented, the County had no debt that qualified as indebtedness subject to the bonded debt limit under the California Constitution.

⁽²⁾ Under California State law, the total amount of bonded indebtedness shall not at any time exceed 1.25% of the taxable property of the County as shown by the last equalized assessment roll.

Table 12

County of San Diego

Pledged-Revenue Coverage

Last Ten Fiscal Years (In Thousands)

Tobacco Settlement Asset-Backed Bonds (1)

		. • •	 	 		
Fiscal Year	Tobacco Settlement Revenues	Less: Operating Expenses (2)	Net Available Revenue	Principal (3)	Interest	Coverage
2004	\$ 29,961 \$	131	\$ 29,830	\$ 8,930 \$	24,830	0.88
2005	30,415	172	30,243	9,955	24,446	0.88
2006	27,915	173	27,742	1,550	11,975	2.05
2007	29,219	164	29,055	3,100	26,820	0.97
2007	27,217	104	27,033	3,100	20,020	0.77
2008	31,106	146	30,960	6,865	26,599	0.93
2009	34,181	156	34,025	10,000	26,273	0.94
2010	28,503	151	28,352	4,500	25,798	0.94
0011	04.074	1.50	0,4,010	0.005	05.504	0.04
2011	26,976	158	26,818	2,995	25,584	0.94
2012	27,509	165	27,344	3,755	25,442	0.94
2012	27,507	100	27,044	5,755	20,442	0.74
2013	41,460	111	41,349	17,035	25,263	0.98

⁽¹⁾ Data for fiscal years 2004-2006 applies to the Series 2001 Tobacco Settlement Asset-Backed (Tobacco) bonds that were issued in 2002. In May 2006, the Series 2001 Tobacco bonds were refunded and the Series 2006 Tobacco Settlement Asset-Backed bonds were issued.

⁽²⁾ Operating expenses do not include interest.

⁽³⁾ Tobacco Principal Debt Service requirements includes Turbo Principal payments.

Table 13

County of San Diego Demographic and Economic Statistics

Last Ten Years

			Per Capita		
.,	5 I II (4)	Personal Income	Personal Income	School	Unemployment
Year	Population (1)	(in thousands) (2)	(in dollars)	Enrollment (3)	Rate (4)
2004	2,933,929	\$ 113,062,259	\$ 38,536	499,356	5.1
2005	2,941,658	118,793,000	40,383	498,186	4.5
2006	2,948,362	126,194,000	42,801	495,228	4.2
2007	2,974,861	133,369,000	44,832	496,699	4.6
2008	3,146,274	143,873,000	45,728	494,016	6.0
2009	3,185,462	134,696,000	42,285	496,702	10.2
2010	3,224,432	137,525,000	42,651	496,995	11.0
2011	3,115,810	151,539,000	48,635	498,243	10.4
2012	3,128,734	155,500,000	49,701	498,263	9.2
2013	3,150,178	156,600,000	49,711	499,850	7.8

Sources:

Primary

- (1) DOF The California Department of Finance
- (2) LAEDC- Los Angeles County Economic Development Corporation, the Kyser Center for Economic Research
- (3) California Department of Education & Education Data Partnership
- (4) U.S. Department of Labor, Bureau of Labor Statistics

Secondary

(1) BEA - Bureau of Economic Analysis, U.S. Department of Commerce

Table 14

County of San Diego Principal Employers

Current Year and Nine Years Ago

	2013			2004	
		Percentage of Total County			Percentage of Total County
	Rank			Rank	Employment (3)
40,800	1	2.73%	38,700	2	2.75%
27,832	2	1.87%	26,654	3	1.89%
	_			_	
16,011	3	1.07%	17,902	5	1.27%
15.070	4	1.0707	10.175	,	0.0407
13,960	4	1.07%	13,173	6	0.94%
14381	5	0.94%	10.617	Ω	0.75%
14,001	3	0.7070	10,017	0	0.7 370
13.400	6	0.90%			
	-				
10,306	7	0.69%	12,384	7	0.88%
7,800	8	0.52%	7,121	9	0.51%
7.440	0	0.5107			
7,668	9	0.51%			
4 130	10	0.4197			
0,132	10	0.41/6			
			38.900	1	2.76%
			35,73	·	
			21,073	4	1.50%
			6,464	10	0.46%
160,290		10.73%	192,990		13.71%
	7,800 7,668 6,132	40,800 1 27,832 2 16,011 3 15,960 4 14,381 5 13,400 6 10,306 7 7,800 8 7,668 9 6,132 10	Employees (1) Rank Employment (2) 40,800 1 2.73% 27,832 2 1.87% 16,011 3 1.07% 15,960 4 1.07% 14,381 5 0.96% 13,400 6 0.90% 7,800 8 0.52% 7,668 9 0.51% 6,132 10 0.41%	Employees (1) Rank Employment (2) Employees (1) 40,800 1 2.73% 38,700 27,832 2 1.87% 26,654 16,011 3 1.07% 17,902 15,960 4 1.07% 13,175 14,381 5 0.96% 10,617 13,400 6 0.90% 12,384 7,800 8 0.52% 7,121 7,668 9 0.51% 38,900 6,132 10 0.41% 38,900 21,073 6,464	Employees (1) Rank Employment (2) Employees (1) Rank 40,800 1 2.73% 38,700 2 27,832 2 1.87% 26,654 3 16,011 3 1.07% 17,902 5 15,960 4 1.07% 13,175 6 14,381 5 0.96% 10,617 8 13,400 6 0.90% 12,384 7 7,800 8 0.52% 7,121 9 7,668 9 0.51% 38,900 1 6,132 10 0.41% 38,900 1 21,073 4 6,464 10

Sources:

- (1) San Diego Business Journal
- (2) California Labor Market Info

Percentage is calculated by dividing employees by total employment of 1,492,300 as of June 2013

(3) California Labor Market Info

Percentage is calculated by dividing employees by total employment of 1,407,200 as of June 2004

(4) County of San Diego 2013 and 2004 Adopted Operational Plans

Table 15
County of San Diego
Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

		Fiscal Year						
Function	2004	2005	2006	2007	2008			
General	1,578	1,495	1,486	1,505	1,538			
Public protection	7,667	7,506	7,673	7,804	8,027			
Public ways and facilities	351	350	366	373	393			
Health and sanitation	2,250	2,130	2,127	2,188	2,242			
Public assistance	3,737	3,567	3,761	3,659	3,781			
Education	0.45	0.75	075	00.5	007			
Education	265	265	275	295	297			
Recreation and cultural	154	154	158	168	180			
Recreation and Colloral	104	104	150	100	100			
Total	16,002	15,467	15,846	15,992	16,458			
	. 0,002	. 5, 107	. 3,0 10	. 5,7 7 2	. 5, 100			

		Fiscal Year						
Function	2009	2010	2011	2012	2013			
General	1,515	1,487	1,477	1,451	1,485			
Public protection	7,879	7,575	7,362	7,430	7,638			
Public ways and facilities	405	390	374	367	369			
Lie olthe overal equations	0.000	0.127	0.000	0.045	2.0/8			
Health and sanitation	2,222	2,136	2,088	2,045	2,068			
Public assistance	3,659	3,497	3,321	3,440	3,728			
Tobile dissistance	0,007	0,177	0,021	0,110	0,7 20			
Education	312	293	277	256	251			
Recreation and cultural	176	173	169	171	162			
Total	16,168	15,551	15,068	15,160	15,701			

Source: County of San Diego Auditor and Controller, Central Payroll Division

Table 16 **County of San Diego Operating Indicators by Function Last Ten Fiscal Years**

			Fiscal Year		
Function	2004	2005	2006	2007	2008
General					
Registrar of Voters: Percent of total mail ballots tallied by the Monday after Election Day	(1)	74.00%	96.10%	94.50%	99.80%
Assessor/Recorder/County Clerk: Percent of mandated assessments completed by close of annual tax roll	(1)	(1)	100.00%	100.00%	100.00%
Treasurer-Tax Collector: Secured taxes collected (% of total)	(1) (1)	(1) 99.00%	98.00%	97.20%	96.00%
Public protection					
Child Support Services: Percent of current support collected (federal					
performance measure #3)	41.00%	42.10%	49.00%	50.00%	51.00%
Sheriff: Deputy Initiated Actions (DIA)	(1)	221,732	215,346	243,118	263,626
Sheriff: Number of jail bookings	139,019	145,180	144,727	146,566	142,357
Sheriff: Daily average – number of inmates	5,009	5,102	5,184	5,118	5,209
District Attorney: Felony defendants received	30,108	31,150	31,182	30,357	27,849
District Attorney: Misdemeanor defendants received	27,575	25,443	28,068	28,081	28,458
Planning and Land Use: Percent of building inspections completed next day	100.00%	100.00%	100.00%	100.00%	100.00%
Animal Services: Percentage euthanized animals that were treatable	(1)	12.90%	12.90%	13.80%	15.80%
7 till flat del vices. I ereerinage com anized ariin las mar vicre irearable	(· /	12.7070	12.7070	10.0070	10.0070
Public ways and facilities					
Public Works: Protect water quality through Department of Public Works roads/ drainage waste debris removal (cubic yards removed)	(1)	42,000	51,287	28,700	29,580
Health and sanitation					
Regional Operations: Children age 0-4 years receive age- appropriate vaccines	(1)	(1)	(1)	(1)	(1)
Regional Operations: Children age 11-18 years receive age- appropriate vaccines	(1)	(1)	(1)	(1)	(1)
Behavioral Health Services: Wait time for children's mental health outpatient treatment	9 days	5 days	4 days	4 days	4 days
	, .	, .	, .	, -	, -
Public assistance					
Strategic Planning and Operational Support: Welfare to work participants have paid employment	(1)	(1)	(1)	(1)	(1)
Strategic Planning and Operational Support: Welfare to work participants participating in work activities	(1)	(1)	(1)	(1)	(1)
Aging & Independence Services: Face-to-face adult protective services investigations within 10 days	93.00%	94.00%	96.00%	96.00%	95.00%
Child Welfare Services: Foster children in 12th grade who achieve					
high school completion (diploma, certificate or equivalent)	74.00%	76.00%	79.00%	83.00%	86.00%
ducation					
County Library: Annual average circulation per Item	(1)	2.51	2.57	3.08	3.10
ecreation and cultural					
Parks and Recreation: Number of parkland acres owned and managed	37,326	40,000	40,600	41,100	41,500
Parks and Recreation: Number of miles of trails managed in the County trails program	(1)	(1)	275	305	315
1) Trend data not available	1.1	1.1	_, •	- 50	3.0
,					
ource: Various County departments					



Table 16

County of San Diego Operating Indicators by Function Last Ten Fiscal Years

(Continued)

(continued)			Fiscal Year		
Function	2009	2010	2011	2012	2013
General					
Registrar of Voters: Percent of total mail ballots tallied by the Monday after Election Day	94.00%	93.00%	94.00%	98.00%	74.30%
Assessor/Recorder/County Clerk: Percent of mandated assessments completed by close of annual tax roll	100.00%	100.00%	100.00%	99.00%	99.00%
Treasurer-Tax Collector: Secured taxes collected (% of total)	96.30%	97.00%	98.00%	97.00%	98.00%
Public protection					
Child Support Services: Percent of current support collected (federal performance measure #3)	50.00%	53.00%	59.00%	64.00%	67.00%
Sheriff: Deputy Initiated Actions (DIA)	270,666	333,924	322,753	300,774	309,604
Sheriff: Number of jail bookings	144,756	139,314	136,451	130,044	126,836
Sheriff: Daily average – number of inmates	5,141	4,751	4,622	4,846	5,274
District Attorney: Felony defendants received	28,150	27,744	26,619	25,983	27,745
District Attorney: Misdemeanor defendants received	29,512	28,896	28,926	26,800	25,080
Planning and Land Use: Percent of building inspections completed					
next day	100.00%	100.00%	100.00%	100.00%	100.00%
Animal Services: Percentage euthanized animals that were treatable	15.90%	24.00%	26.40%	25.30%	28.00%
Public ways and facilities					
Public Works: Protect water quality through Department of Public					
Works roads/ drainage waste debris removal (cubic yards removed)	29,180	28,802	27,680	25,404	25,000
Health and sanitation					
Regional Operations: Children age 0-4 years receive age- appropriate vaccines	(1)	99.00%	99.00%	99.00%	99.50%
Regional Operations: Children age 11-18 years receive age- appropriate vaccines	(1)	97.00%	97.00%	99.00%	99.40%
Behavioral Health Services: Wait time for children's mental health outpatient treatment	7 days	5 days	5 days	5 days	4 days
Public assistance					
Strategic Planning and Operational Support: Welfare to work participants have paid employment	(1)	26.45%	16.00%	20.00%	25.00%
Strategic Planning and Operational Support: Welfare to work participants participating in work activities	(1)	42.00%	24.00%	41.00%	(2)
Aging & Independence Services: Face-to-face adult protective services investigations within 10 days	96.00%	95.00%	96.00%	96.00%	97.00%
Child Welfare Services: Foster children in 12th grade who achieve high school completion (diploma, certificate or equivalent)	87.00%	85.20%	82.00%	79.00%	83.00%
Education					
County Library: Annual average circulation per Item	5.44	6.46	9.95	7.98	7.52
Recreation and cultural					
Parks and Recreation: Number of parkland acres owned and managed	45,043	44,616	45,187	45,661	47,270
Parks and Recreation: Number of miles of trails managed in the County trails program	320	325	326	329	330

⁽¹⁾ Trend data not available

Source: Various County departments

⁽²⁾ This measure is no longer relevant as a result of state legislation SB 1041 that made changes to the to California Work Opportunity and Responsibility to Kids (CalWORKS) program.

Table 17 **County of San Diego Capital Asset Statistics by Function** Last Nine Fiscal Years (1)

	Fiscal Year								
Function	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government									
Fleet vehicles	1,608	1,797	1,492	2,186	1,841	1,608	1,664	1,872	1,762
Buildings	1,038	1,029	1,108	1,131	1,135	1,092	1,096	1,085	1,126
Land	884	896	917	940	989	1,015	1,042	1,073	1,090
Public protection									
Building - sub stations	5	5	9	12	12	11	12	12	12
Patrol units	922	920	1,415	1,491	1,519	1,806	1,404	1,310	1,402
Detention facilities	9	9	10	10	10	10	10	10	9
Public ways and facilities									
Road miles	1,905.79	1,911.18	1,921.25	1,927.99	1,929.40	1,930.70	1,932.05	1,932.83	1,938.63
Bridges	174	174	174	178	178	178	178	196	200
Airports	8	8	8	7	7	7	7	7	7
Road stations	32	32	15	15	15	15	14	14	13
Health and sanitation									
Inactive landfills	11	11	18	17	17	23	23	23	23
Sewer lines miles	376.32	379.31	379.83	406.00	425.10	427.00	432.00	432.00	432.00
Water pollution control facilities	2	2	3	3	3	4	5	5	5
Wastewater Treatment Plants								3	3
Wastewater Pump Stations								8	8
Public assistance									
Administration building	1	1	1	1	1	1	1	0	1
Housing facilities	6	6	6	6	6	6	6	6	6
Education									
Libraries	27	27	20	20	20	20	20	20	20
Recreation and cultural									
Parks/Open space area	90	90	92	95	92	92	91	91	91
Camp grounds	9	9	9	9	8	8	8	8	8

^{(1) 10} year trend data is unavailable, see explanatory information contained in Introduction to Statistical Section Source: Various County departments



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